

INCOME APPROACH (CONTINUED)**Studio Units**

Studio/1 BA	579	\$804	\$1.39	Asking
		\$779	\$1.34	Actual

Analysis

There are three of these units in the building. The analysis is the same as above but with an upward adjustment for the larger unit size and balcony/deck (no balcony/deck in the unit above). The concluded rent is supported by the average actual rent.

Estimated Market Rent Conclusion:**\$780 \$1.35****1 Bedroom Units**

Apt. Rent Comp.	Unit Type	Unit Size	Unadjusted Rent		Adjusted Rent	
			\$	Per SF	\$	Per SF
5	Flat/1 BD/1 BA	546	\$665	\$1.22	\$620	\$1.14
6	Flat/1 BD/1 BA	687	\$885	\$1.29	\$880	\$1.28
4	Flat/1 BD/1 BA	690	\$772	\$1.12	\$682	\$0.99
1	Flat/1 BD/1 BA	690	\$785	\$1.14	\$685	\$0.99
6	Flat/1 BD/1 BA	717	\$945	\$1.32	\$940	\$1.31
6	Flat/1 BD/1 BA	718	\$945	\$1.32	\$940	\$1.31
5	Flat/1 BD/1 BA	723	\$735	\$1.02	\$690	\$0.95
2	Flat/1 BD/1 BA	726	\$879	\$1.21	\$834	\$1.15
3	Flat/1 BD/1 BA	780	\$797	\$1.02	\$797	\$1.02
5	Flat/1 BD/1 BA	820	\$825	\$1.01	\$780	\$0.95
5	Flat/1 BD/1 BA	822	\$915	\$1.11	\$870	\$1.06
6	Flat/1 BD/1 BA + Den	869	\$945	\$1.09	\$940	\$1.08
6	Flat/1 BD/1 BA + Den	875	\$975	\$1.11	\$970	\$1.11
6	Flat/1 BD/1.5 BA	925	\$1,000	\$1.08	\$995	\$1.08
Minimum		546	\$665	\$1.01	\$620	\$0.95
Maximum		925	\$1,000	\$1.32	\$995	\$1.31
Average		756	\$862	\$1.15	\$830	\$1.10
Subject Averages & Analysis						
Flat/1 BD/1 BA		638	\$912	\$1.43	Asking	
			\$907	\$1.42	Actual	

Analysis

There are seven of these units in the building. The subject is unique in the market area as it has luxury condominium finishes like hardwood floors, granite countertops, built-in microwave ovens, and forced-air heating and air-conditioning. Its tenant appeal is also superior due to its mixed-use building design with commercial services available on the first floor. Comparables 1, 2, 3, 4 and 5 units are low indicators due to their older dates of construction, inferior finishes and tenant appeal. Comparable 6 is the most similar to the subject due to its mixed-use building design which has commercial space on the ground floor and luxury apartments on the upper floors. Comparable 6 has rents ranging from \$880 to \$995. The most similar sized units in Comparable 6 (717/sf and 718/sf) both rent for \$990 per month. The concluded rent is based on Comparable 6's similar most sized units and the subject's average actual rent.

Estimated Market Rent Conclusion:**\$910 \$1.43**

Flat/1 BD/1 BA	669	\$947	\$1.42	Asking
		\$947	\$1.42	Actual

Analysis

There are two of these units in the building. The analysis is the same as above but with \$35 adjustment upward for this units larger unit size and slightly superior unit design.

Estimated Market Rent Conclusion:**\$945 \$1.41**

INCOME APPROACH (CONTINUED)**1 Bedroom Units**

Flat/1 BD/1 BA + Den	781	\$1,160	\$1.49	Asking
		\$1,160	\$1.49	Actual

Analysis

There are two of these units in the building. These units have a den plus a oversized balcony/deck that would be more typical of a Penthouse type of unit. The most similar sized units in Comparable 6 (869/sf and 875/sf) have rents ranging from \$940 to \$970. However, all of Comparable 6's units have inferior finishes, and do not have a den and a large oversized balcony/deck. Therefore, the concluded rent is above Comparable 6 and is supported by the subject's actual average rent.

Estimated Market Rent Conclusion:**\$1,160 \$1.49****2 Bedroom Units**

Apt. Rent Comp.	Unit Type	Unit Size	Unadjusted Rent		Adjusted Rent	
			\$	Per SF	\$	Per SF
3	Flat/2 BD/1 BA	863	\$895	\$1.04	\$895	\$1.04
6	Flat/2 BD/1 BA	863	\$1,115	\$1.29	\$1,110	\$1.29
4	Flat/2 BD/1 BA	878	\$832	\$0.95	\$742	\$0.85
1	Flat/2 BD/1 BA	884	\$744	\$0.84	\$644	\$0.73
5	Flat/2 BD/1 BA	943	\$825	\$0.87	\$780	\$0.83
1	Flat/2 BD/2 BA	1,004	\$814	\$0.81	\$714	\$0.71
4	Flat/2 BD/2 BA	1,004	\$885	\$0.88	\$795	\$0.79
6	Flat/2 BD/2 BA	1,004	\$1,205	\$1.20	\$1,200	\$1.20
5	Flat/2 BD/2 BA	1,041	\$1,030	\$0.99	\$985	\$0.95
2	Flat/2 BD/2 BA	1,073	\$999	\$0.93	\$954	\$0.89
5	Townhouse/2 BD/2 BA	1,137	\$1,075	\$0.95	\$1,030	\$0.91
4	Townhouse/2 BD/2.5 BA	1,158	\$1,000	\$0.86	\$910	\$0.79
4	Townhouse/2 BD/2.5 BA	1,183	1,022	\$0.86	\$932	\$0.79
3	Penthouse/2 BD/2 BA	1,650	\$1,825	\$1.11	\$1,825	\$1.11
Minimum		863	\$744	\$0.81	\$644	\$0.71
Maximum		1,650	\$1,825	\$1.29	\$1,825	\$1.29
Average		1,049	\$1,019	\$0.97	\$965	\$0.92
Subject Averages & Analysis						
Flat/2 BD/1 BA		848	\$1,085	\$1.28	Asking	
			\$1,089	\$1.28	Actual	

Analysis

There are seven of these units in the building. The subject is unique in the market area as it has luxury condominium finishes like hardwood floors, granite countertops, built-in microwave ovens, and forced-air heating and air-conditioning. Its tenant appeal is also superior due to its mixed-use building design with commercial services available on the first floor. Comparables 1, 2, 3, 4 and 5 units are low indicators (except Comparable 3's Penthouse units) due to their older dates of construction, inferior finishes and tenant appeal. Comparable 6 is the most similar to the subject due to its mixed-use building design which has commercial space on the ground floor and luxury apartments on the upper floors. Comparable 6 has rents ranging from \$1,110 to \$1,200. Comparable 6's 863/SF unit is a slightly high indicator due to its superior location in downtown Eugene. Comparable 6's 1,004/SF unit is a high indicator due to its larger size and second bathroom, and superior location. Therefore, the slightly below Comparable 6's 863/SF unit and supported by the subject's average actual rent.

Estimated Market Rent Conclusion:**\$1,090 \$1.29**

Flat/2 BD/ 2BA + Den	890	\$1,173	\$1.32	Asking
		\$1,124	\$1.26	Actual

Analysis

There are two of these units in the building. The analysis is the same as above but with \$35 adjustment upward for this units larger unit size and addition of a den. The concluded rent is supported by the average actual rent.

Estimated Market Rent Conclusion:**\$1,125 \$1.26**

INCOME APPROACH (CONTINUED)**2 Bedroom Units**

Flat/2 BD/2 BA	972	\$1,232	\$1.27	Asking
		\$1,177	\$1.21	Actual

Analysis

There are nineteen of these units in the building. Comparables 1, 2, 3, 4 and 5 units are low indicators (except Comparable 3's Penthouse units) due to their older dates of construction, inferior finishes and tenant appeal. Comparable 6 is the most similar to the subject due to its mixed-use building design which has commercial space on the ground floor and luxury apartments on the upper floors. Comparable 6 has rents ranging from \$1,110 to \$1,200. Comparable 6's 863/SF unit is a low indicator due to its smaller size, inferior finishes and tenant appeal. Comparable 6's 1,004/SF unit is a slightly high indicator due to its superior location. Therefore, the concluded rent is \$20 below Comparable 6's 1,004/SF unit and supported by the subject's average actual rent.

Estimated Market Rent Conclusion:**\$1.180 \$1.21**

Loft/2 BD/2 BA	1,174	1,889	\$1.61	Asking
		\$1,639	\$1.40	Actual

Analysis

There are two of these units in the building, and they are premium 4th floor corner units. One of these units is rented for \$1,488 and the other is rented for \$1,789, for an average actual rent of \$1,639. Comparable 3's Penthouse unit is considered the best comparable for this unit. However, Comparable 3's Penthouse unit is a high indicator due to its larger size, and true Penthouse location on the 8th floor of a building in downtown Eugene, partially offset by its inferior unit finishes. Therefore, the concluded rent is below Comparable 3's Penthouse unit and based on the average actual rent for the subject's two units.

Estimated Market Rent Conclusion:**\$1.640 \$1.40**

Flat/2 BD/2BA + Den	1,364	\$1,798	\$1.32	Asking
		\$1,774	\$1.30	Actual

Analysis

There are two of these units in the building, and they are premium 4th floor units. The analysis is the same as the 1,174/SF unit above, but recognizing this units larger size, partially offset by its interior location versus a corner location. One of these units is rented for \$1,749 and the other is rented for \$1,798, for an average actual rent of \$1,774. Comparable 3's Penthouse unit is considered the best comparable for this unit. However, Comparable 3's Penthouse unit is a high indicator due to its larger size, and true Penthouse location on the 8th floor of a building in downtown Eugene, partially offset by its inferior unit finishes. Therefore, the concluded rent is below Comparable 3's Penthouse unit and based on the average actual rent for the subject's two units.

Estimated Market Rent Conclusion:**\$1.775 \$1.30**

INCOME APPROACH (CONTINUED)

**RENT RANGE BY UNIT TYPE****3 Bedroom Units**

Apt. Rent Comp.	Unit Type	Unit Size	Unadjusted Rent		Adjusted Rent	
			\$	Per SF	\$	Per SF
5	Flat/3 BD/2 BA	1,197	\$1,250	\$1.04	\$1,205	\$1.01
2	Flat/3 BD/2 BA	1,230	\$1,213	\$0.99	\$1,168	\$0.95
5	Townhouse/3 BD/2 BA	1,234	\$1,250	\$1.01	\$1,205	\$0.98
5	Townhouse/3 BD/2.5 BA	1,293	\$1,300	\$1.01	\$1,255	\$0.97
2	Townhouse/3 BD/2 BA	1,342	\$1,318	\$0.98	\$1,273	\$0.95
3	Penthouse/2 BD/2 BA	1,650	\$1,825	\$1.11	\$1,825	\$1.11
Minimum		1,197	\$1,213	\$0.98	\$1,168	\$0.95
Maximum		1,650	\$1,825	\$1.11	\$1,825	\$1.11
Average		1,324	\$1,359	\$1.02	\$1,322	\$0.99
Subject Averages & Analysis						
Loft/3 BD/2 BA		1,407	\$1,900	\$1.35	Asking	
			\$2,203	\$1.57	Actual	

Analysis

There are two of these units in the building, and they are premium 4th floor units. One of these units is rented for \$1,900 and the other is rented for \$2,506, for an average actual rent of \$2,203. Comparable 3's Penthouse unit has been included in this analysis due to the limited number of 3-bedroom luxury units in the market area and the unique design of the subject units. Comparables 2 and 5 are considered low indicators for the subject due to their inferior finishes and tenant appeal. Comparable 3 is considered a low indicator due to its inferior unit finishes, partially offset by its larger size and Penthouse location on the 8th floor of a building in downtown Eugene. The concluded rent is \$75 above Comparable 3's Penthouse unit and based on the lower end of the actual rents for the subject's two units.

Estimated Market Rent Conclusion:**\$1,900 \$1.35****Additional Income**

The other income for the subject is discussed below.

Utility Reimbursement Income (Apartments) – The subject charges the apartment tenants a flat fee for water, sewer, and garbage service. The flat fee is currently \$30/mo. for a studio and one-bedroom unit, \$35/mo. for a two-bedroom unit and \$40/mo. for a three-bedroom unit. The 2009 income is \$20,197, or \$33/unit/month. This analysis will estimate \$20,000 per year for utility reimbursements based on the 2009 income.

Miscellaneous Income- The subject property receives additional income from forfeited deposits, lease termination fees, late fees, etc. The subject's 2009 income was combined with parking income. Typical market standards are \$10 to \$25/unit/month. This analysis will estimate \$15,300/year, or \$25/unit/month based typical market area standards. The concluded income is near the high end of typical market area standards, recognizing the subject's luxury nature that it should see higher fee income on a long term basis.

INCOME APPROACH (CONTINUED)

Parking and Storage Income – The subject property has 43 secured, below grade parking spaces. 18 of the 43 secured parking garage spaces include a storage closet at the front of the parking space. Garage parking without a storage closet rents for \$60 per month, and \$80 to \$100 when a storage closet is included. Also, there are 11 standalone storage closets which are rented separately for \$40 to \$90 per month, with the majority rented at \$40 per month. The subject's historical income was combined into miscellaneous income. Typical market area standards show garages renting from \$50 to \$100 per month, and storage spaces renting from \$25 to \$75 per month. This analysis will estimate the monthly garage rent without storage at \$60 per month, and the garage rent with storage at \$80 per month. Rent for the standalone storage units will be estimated at \$40 per month. Overall, this analysis will estimate \$36,500 rounded annually for parking and storage income as show on the following chart.

	# of Units	Unit Rent	Monthly Rent	Annual Rent
Standalone Storage	11	\$40	\$440	\$5,280
Parking	18	\$80	\$1,440	\$17,280
Parking with Storage	25	\$60	\$1,500	\$18,000
Total Parking & Storage Rent				\$40,560
Less: Estiamted 10% Vacancy				(\$4,056)
Total Parking & Storage Rent				\$36,504

Commercial Net Operating Income Analysis

The improvements contain 15,611 SF of ground-floor commercial space based on space sizes provided by the owner. This section estimates the net operating income from the commercial component.

Subject Rent Discussion – Commercial Spaces

The commercial spaces are summarized below. Please see floor plan in the Improvements Description Section for delineation.

INCOME APPROACH (CONTINUED)

**SUBJECT RENT ROLL**

Tenant	Occupied		Vacant		Total		% of		Current Lease Period		Expense		Current Base Rent		Escalations	Concessions	Options/Ext.
	NRA	SF	NRA	SF	NRA	SF	Total NRA		Start	End	Structure	Net	Annual	PSF (Yr.)			
Eugene Wine Cellars, LLC	2,492	SF	0	SF	2,492	SF	16.0%		9/17/08	9/15/18	Triple Net	\$89,776	\$28.00		CPI	None	1 - 5 Yr. Term
Lago Blu Gelato, Inc	901	SF	0	SF	901	SF	5.8%		6/1/08	5/31/13	Triple Net	\$27,034	\$30.00		CPI	None	4 - 5 Yr. Terms
Bello, LLC	4,100	SF	0	SF	4,100	SF	26.3%		2/15/08	2/12/18	Triple Net	\$118,900	\$29.00		CPI	3 Months	1 - 5 Yr. Term
Joy's Uptown Style, Inc	1,250	SF	0	SF	1,250	SF	8.0%		12/1/08	11/30/13	Triple Net	\$37,500	\$30.00		CPI	*	1 - 5 Yr. Term
Mezza Luna CV, Inc	1,673	SF	0	SF	1,673	SF	10.7%		6/1/08	5/31/13	Triple Net	\$50,196	\$30.00		CPI	None	4 - 5 Yr. Terms
Vacant	0	SF	1,185	SF	1,185	SF	7.6%		NA	NA	Triple Net	\$0	\$0.00		NA	NA	NA
Vacant	0	SF	1,185	SF	1,185	SF	7.6%		NA	NA	Triple Net	\$0	\$0.00		NA	NA	NA
Vacant	0	SF	1,500	SF	1,500	SF	9.6%		NA	NA	Triple Net	\$0	\$0.00		NA	NA	NA
Vacant	0	SF	1,325	SF	1,325	SF	8.5%		NA	NA	Triple Net	\$0	\$0.00		NA	NA	NA
Total NRA	10,416	SF	5,195	SF	15,611	SF	Occupancy	67%					\$303,406	\$23.13			

* Indicates the following concessions: Month 1 through 2 – Tenant shall pay landlord rent equal to 7% of the prior month's gross receipts. Month 3 through 8 – Tenant shall pay landlord rent in the amount of \$1,562.50 or 7% of the prior month's gross receipts, whichever is greater.

It should be noted that Joy's Uptown Style, Inc, Bello, LLC, and Eugene Wine Cellars, LLC leases contain a percentage rent provision; however, the business gross sales or amount of percentage rent were not reported, and the duration of time the retail businesses have been operating is not sufficient to support a stabilized percentage rent. Due to this, the base rents have been used in this analysis.

INCOME APPROACH (CONTINUED)

Subject Commercial Space Marketing History – It was reported that the commercial space has been marketed for approximately 2.5 years at a rate of \$27/SF to \$30/SF annually on a triple net lease. The development has an onsite leasing office which is utilized for both the residential and commercial space.

Commercial Market Rent Analysis

Unit of Comparison - The analysis is conducted on a dollar per square foot per year basis. This unit of comparison is typically used in this market. The market rent analysis is based on a triple net expense structure where the landlord pays professional management and reserves, while the tenant reimburses all other operating expenses including real estate taxes, insurance, water and sewage, and common area maintenance.

Selection of Comparables - A complete search of the area was conducted in order to find the most comparable properties in terms of location, tenancy, age, exposure, quality, and condition. The comparables in this analysis are the most reliable indicators of market rent for the subject available at the time of this appraisal. The comparables presented in the following analysis primarily include newer retail strip development within the Eugene marketplace.

Presentation - The following presentation summarizes the comparables most similar to the subject property. A Retail Lease Summation Table, Location Map, Photographs and an analysis of the rent comparables are presented on the following pages.

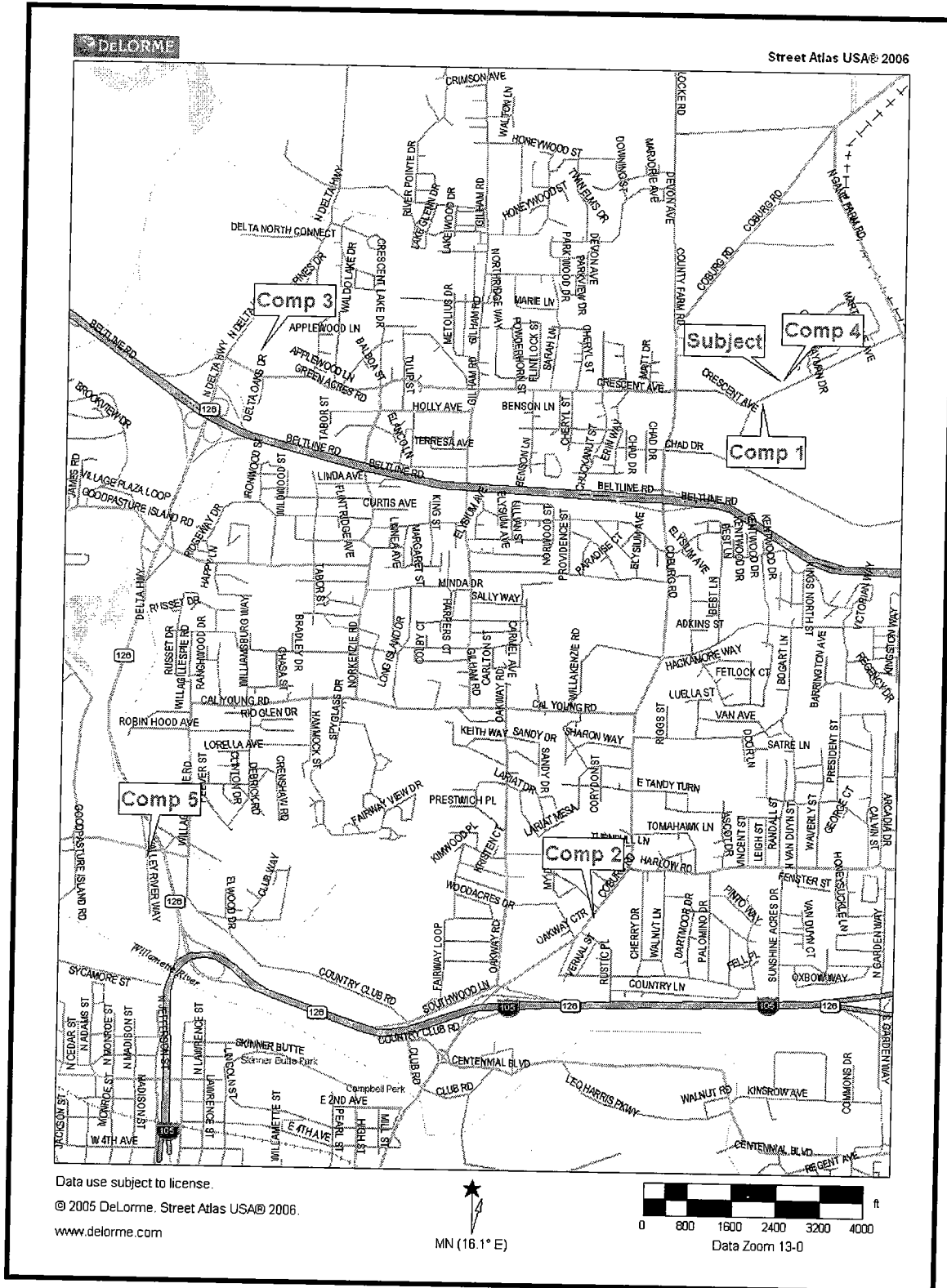
INCOME APPROACH (CONTINUED)



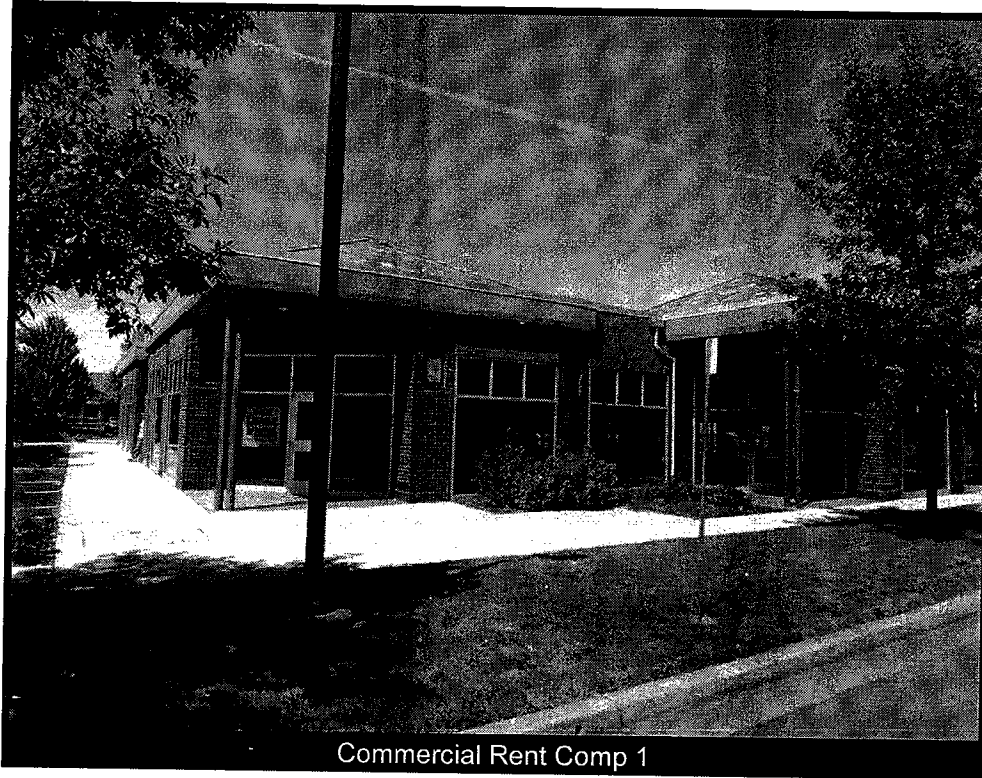
RENT SUMMATION TABLE

Comparable 1	Tenant	Tenant Type	Size (SF)	Start Date	Lease Term	Rent Annual	Rent per SF	Expense Structure	Project Size (NRA)	Year Built	Quality Condition
Summer Oaks Crescent Avenue east of Coburg Road Eugene, OR	Current Listing	Inline	Varies	NA	5 Years	NA	\$19.80	Triple Net	8,481	2007 (Est.)	Average/Good Good
Comparable 2											
Pavilion on Coburg 463 Coburg Road Eugene, OR	Sport Clips	Inline	1,433	4/25/08	5 Years	\$38,691	\$27.00	Triple Net	11,200	2003	Good Good
Comparable 3											
North Delta Center 3003 North Delta Hwy Eugene, OR	Three Forks Wok & Grill	Inline	1,600	9/8/08	5 Years	\$41,280	\$25.80	Triple Net	7,212	2006	Good Good
Comparable 4											
Crescent Village East 2745 Shadow View Drive Eugene, OR	Al King Securities	Mixed-Use	700	1/30/09	5 Years	\$16,800	\$24.00	Triple Net	15,600	2008	Good Good
Comparable 5											
Valley River Plaza 1011 Valley River Way Eugene, OR	Massage Envy	Inline	2,786	4/1/08	5 Years	\$58,506	\$21.00	Triple Net	68,113	1980	Good Average/Good

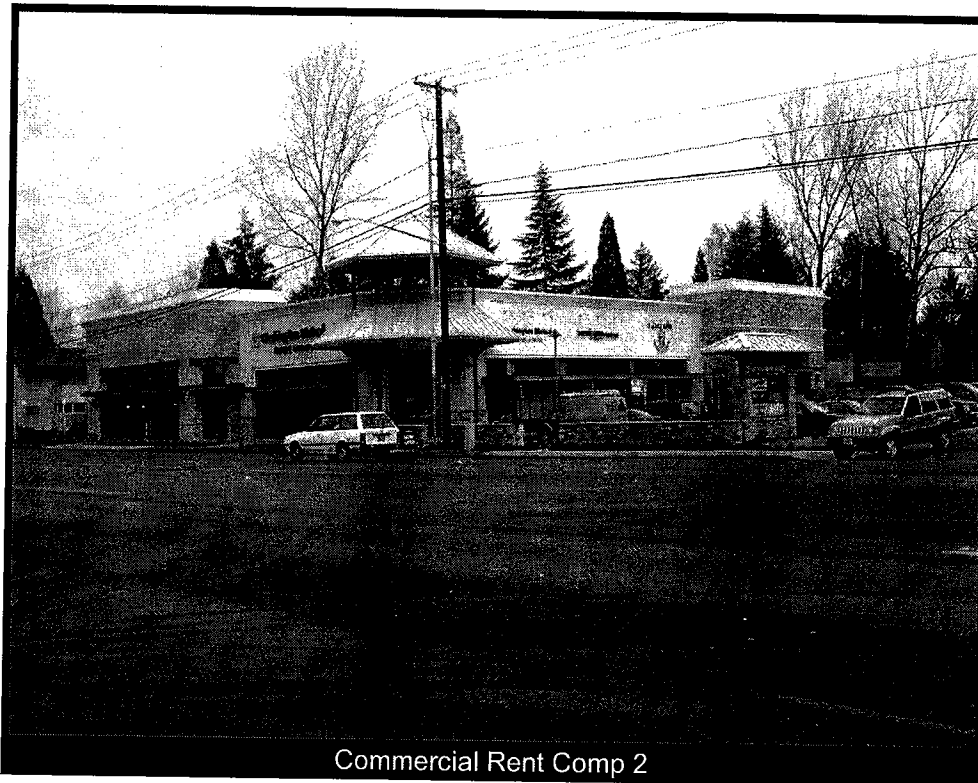
INCOME APPROACH (CONTINUED)

COMMERCIAL LEASE LOCATION MAP

COMMERCIAL LEASE COMPARABLE PHOTOGRAPHS

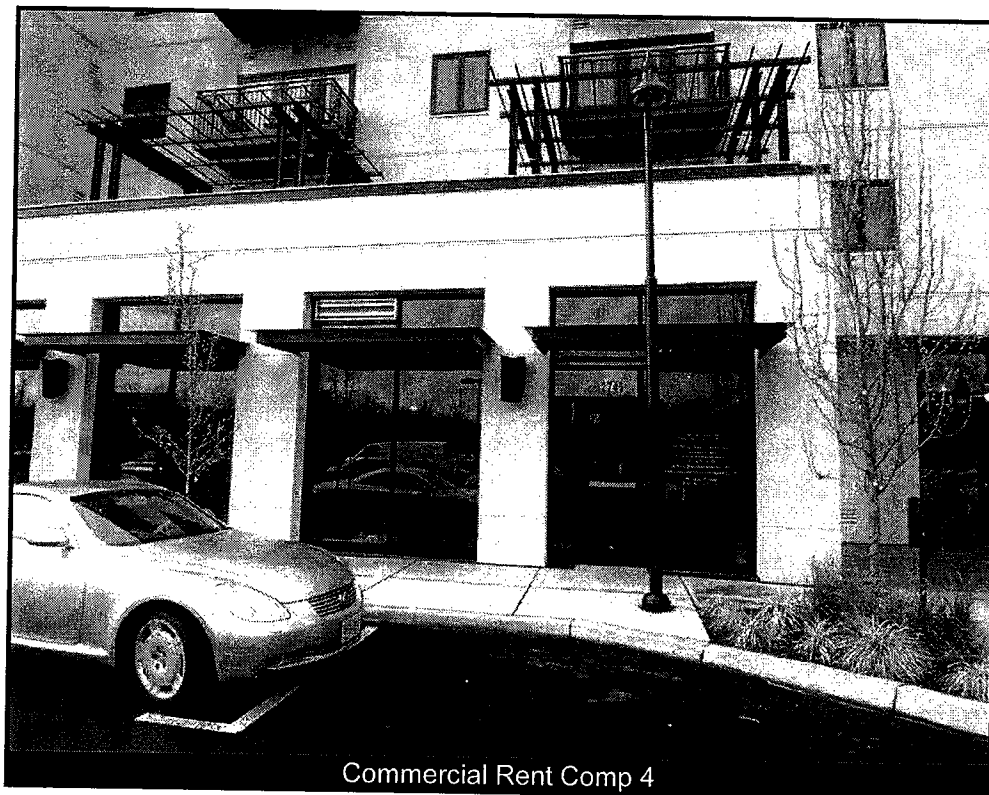
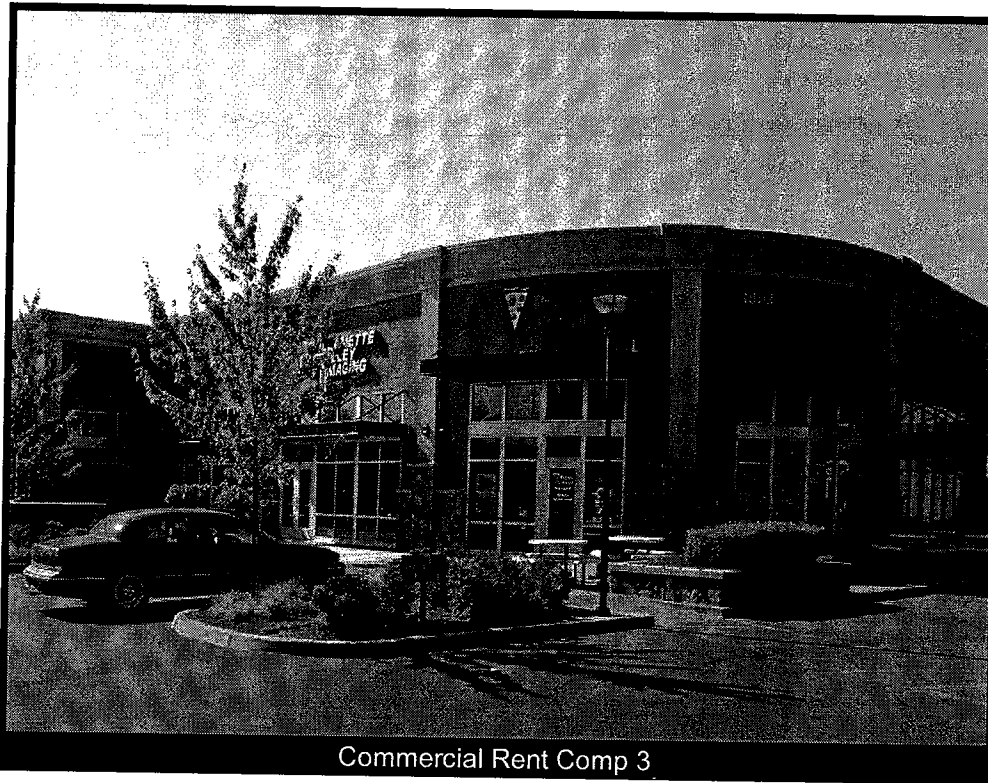


Commercial Rent Comp 1

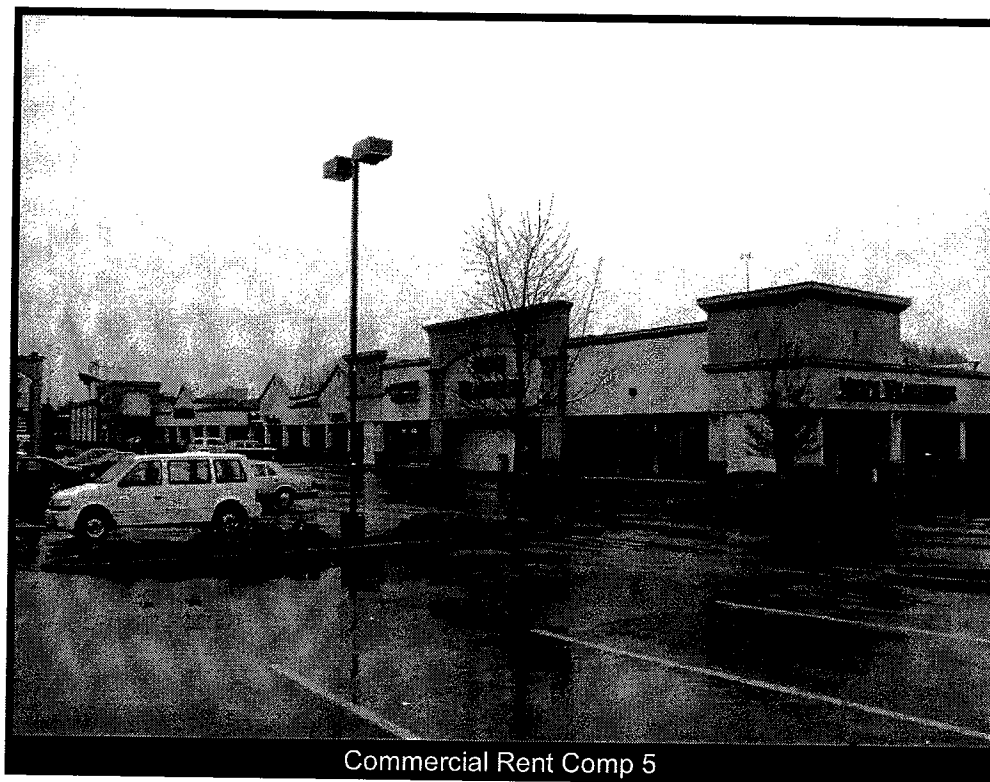


Commercial Rent Comp 2

COMMERCIAL LEASE COMPARABLE PHOTOGRAPHS (CONTINUED)



COMMERCIAL LEASE COMPARABLE PHOTOGRAPHS (CONTINUED)



Commercial Rent Comp 5

INCOME APPROACH (CONTINUED)**Commercial Lease Comparable Analysis**

Adjustments - Adjustments for differences between the subject property and the comparables can be made quantitatively or qualitatively. The comparables have been evaluated, for concessions such as free rent, tenant improvements in excess of the typical market, atypical rent escalations, and atypical lease terms. Please note, all of the comparables demonstrate a triple-net expense structure where the tenants reimburse the ownership for a pro rata share of taxes, insurance and common area maintenance. Remaining consistent with market standards the subject will be analyzed based on a triple-net expense structure. No quantitative adjustments are required for any of the comparables.

Adjustments for physical and locational characteristics are generally subjective in nature. A general discussion of these and other factors will be discussed in the following pages. No specific dollar adjustments are made due to the subjective nature of these adjustments and the lack of direct market evidence.

Rent Comparable Adjustment Grid - The following table summarizes the qualitative adjustments made to the comparables.

RENT QUALITATIVE ADJUSTMENT GRID

	Comparison to Subject							
Comparable 1	Year Built	Quality	Condition	Access	Exposure	Location	Rent Per SF	Overall Indicator
Summer Oaks Crescent Avenue east of Coburg Road Eugene, OR	2007 (Est.)	Sl. Inferior	Similar	Similar	Similar	Similar	\$9.80	Low
Analysis: This is the current listing of inline space located near the subject. The space is newly constructed; however, is slightly inferior in quality and appeal as it is a strip center. The broker for this space reported that the owner is currently negotiating a lease rate of \$9.80/SF for two different spaces in this building. Overall, this comparable is considered a low indicator due to its inferior strip center design.								
Comparable 2								
Pavilion on Coburg 463 Coburg Road Eugene, OR	2003	Similar	Similar	Similar	Similar	Superior	\$27.00	High
Analysis: This is the lease of inline space in a retail project completed in 2003. The project has above average quality and appealing architecture. The center was effectively stabilized upon completion, with one 800 SF space being held off market to test parking. This comparable is considered a high indicator for the subject due to its superior location on Coburg Road.								
Comparable 3								
North Delta Center 3003 North Delta Hwy Eugene, OR	2006	Similar	Similar	Similar	Similar	Superior	\$25.80	St. High
Analysis: This center is in an area of extensive commercial retail development. This lease is second generation space as the tenant took over former Pizza Schmizza space. The development's location is slightly superior in comparison to the subject due to the extensive retail development in this area. This comparable is a slightly high indicator.								
Comparable 4								
Crescent Village East 2745 Shadow View Drive Eugene, OR	2008	Similar	Similar	Similar	Similar	Similar	\$24.00	Good
Analysis: This is the lease of space in a similar mixed-use building located across the street from the subject. This building is part of the subject's larger development and has the same design and quality as the subject building. Therefore, this comparable is a good indicator based on its similar design and location.								
Comparable 5								
Valley River Plaza 111 Valley River Way Eugene, OR	1980	Similar	Sl. Inferior	Similar	Sl. Inferior	Similar	\$21.00	Low
Analysis: This is the lease of space in a older strip retail development. The development is located across from the Valley River Mall; however, the lease comparable has limited exposure within the overall development. This, combined with the slightly inferior condition compared to the subject, cause it to be a low indicator.								

INCOME APPROACH (CONTINUED)

Commercial Gross Rent Analysis - The following table summarizes the various indicators of market rent, and provides the gross rent analysis and conclusions for the subject property.

**MARKET RENT ANALYSIS & CONCLUSION(S)****Inline Space**

Comp. No.	Tenant Name	Tenant Size (SF)	Rent PSF (Yr.)	Overall Conclusion
4	Al King Securities	700	\$24.00	Good
2	Sport Clips	1,433	\$27.00	High
4	S Wireless NW, LLC	1,558	\$30.00	Good
5	Massage Envy	2,786	\$21.00	Low
3	Three Forks Wok & Grill	1,600	\$25.80	Sl. High
1	Current Listing	Varies	\$19.80	Low
Minimum		700	\$19.80	
Maximum		2,786	\$30.00	
Average		1,615	\$24.60	

Analysis**Analysis**

The market rent comparables range from \$21.00/SF to \$27.00/SF on a triple net basis. Comparable 1 (\$19.80) is a low indicator due to its inferior strip center design. Comparables 2 (\$27.00/SF) and 3 (\$25.80) are high indicators due to their superior locations. Comparable 5 (\$21.00/SF) is a low indicator due to its inferior condition and exposure. Comparable 4 is a good indicator for the subject due to its similar location and mixed-use building design. The subject's current rental rates range from \$28.00/SF to \$30.00/SF. The asking rates for the remaining spaces are \$30.00/SF for the front facing and corner located spaces, and \$27.00/SF for the rear facing space. Considering the current market, an estimated rate of \$24.00/SF will be applied to the vacant space, and the existing rents will be used for the existing leased space.

Additional/Other Income (Commercial Component)

Expense Reimbursements – For analysis purposes, and remaining consistent with market standards for commercial spaces, a triple net expense structure is utilized in this analysis. Therefore, a stabilized triple net expense of \$4.25/SF is concluded based generally on market averages for similar size and type commercial properties, which are reporting these expenses from \$4-\$6/SF. The expense reimbursement component excludes the management expense, which is addressed within the overall income analysis and is not reimbursed by the tenants as previously discussed. The Additional / Other Income for the subject is summarized below:

Expense Reimbursements	\$5,529	\$66,347
Total Additional/Other Income	\$5,529	\$66,347

INCOME APPROACH (CONTINUED)**Vacancy and Credit Loss (Commercial Component)**

This category accounts for the time period between occupants, as well as possible prolonged vacancies under slow market conditions. This assignment reflects the probable stabilized vacancy during the economic life of the property and not necessarily the current or short-term vacancy. A vacancy/credit loss of 7% of potential gross income is used for this analysis. This allocation reflects the current economic environment, and is generally higher than historical vacancy rates in the greater Eugene market for retail properties.

Vacancy & Credit Loss			
Rental Income	7.0%	\$2,497	\$29,966
Additional/Other Income	7.0%	\$387	\$4,644
Total	7.0%	\$2,884	\$34,610

Operating Expenses (Commercial Component)

Operating expenses for this analysis include the triple net expense reimbursement previously estimated at \$4.25/SF and reserves for replacement, which are estimated at \$0.15/SF. Please note, the apartment expense conclusions are generally based on a per unit expense and therefore do not include commercial operating expenses as analyzed within this analysis. Management is concluded on a percentage of EGI basis and therefore the apartment management expense conclusion includes the management expense for the subject's commercial component. The NNN charges expense category includes taxes, insurance and common area maintenance for the subject Commercial component.

Commercial Space Net Operating Income

The following table summarizes the rental income estimate for the subject's commercial spaces. Please note that the management expense is accounted for later in the entire project income and expense analysis. Due to the triple net expense structure of the subject, the NNN expenses are included as additional income. The concluded commercial component net operating income is utilized in the analysis for the entire project.

INCOME APPROACH (CONTINUED)

**DIRECT CAPITALIZATION SUMMATION TABLE**

Income Items	Square Feet	Market Rent PSF	Monthly Rent Annual	Rent
Rental Income				
Occupied Space	10,416	\$29.13	\$25,284	\$303,406
Vacant Space	5,195	\$24.00	\$10,390	\$124,680
Total Rental Income	15,611	\$27.42	\$35,674	\$428,086
Expense Reimbursements			\$5,529	\$66,347
Total Additional/Other Income			\$5,529	\$66,347
POTENTIAL GROSS INCOME (PGI)				\$32/SF \$494,433
Vacancy & Credit Loss				
Rental Income		7.0%	\$2,497	\$29,966
Additional/Other Income		7.0%	\$387	\$4,644
Total		7.0%	\$2,884	\$34,610
EFFECTIVE GROSS INCOME (EGI)				\$29/SF \$459,822
Estimated Expense Items	% of PGI	% of EGI	Total	Per SF
NNN Expenses	13.4%	14.4%	\$66,347	\$4.25
Management Fee**	0.0%	0.0%	\$0	\$0.00
Reserves	0.5%	0.5%	\$2,342	\$0.15
Total	13.9%	14.9%	\$68,688	\$4.40
NET OPERATING INCOME (NOI)				\$25/SF \$391,134

** Included in apartment expense analysis

Vacancy and Credit Loss - Residential

This category accounts for the time period between tenants, as well as possible prolonged vacancies under slow market conditions. Vacancy in the subject's area is 4.7 percent, according to our FirstService PGP Valuation survey. Based on the above information and contact with various developers, property owners, and managers, a vacancy rate of 5.0 percent is concluded on a stabilized basis and considers current market conditions, and the subject's luxury rent levels. This includes an allowance for credit loss and considers concessions as necessary. This rate is applied to the unit rent conclusions. The other income items are based on income that already reflects vacancy and credit loss.

Estimated Expenses

Operating expenses include those items necessary to maintain the subject property and generate income at the forecasted level. Expenses associated with debt financing, depreciation, or other accounting items are disregarded. Expenses are estimated based on one or more of the following sources: (1) historical or projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property. Please note, that the subject's operating history below combines income and expenses for both the residential units and commercial space.

INCOME APPROACH (CONTINUED)



OPERATING HISTORY

Year	2009 Annualized	
	Total	\$/Unit
INCOME ITEMS		
Rental Income	\$953,961	\$18,705
Utility Reimbursements	\$20,197	\$396
Prop Tax & Ins Reimbursement	\$14,440	\$283
CAM Charges	\$14,878	\$292
Miscellaneous Income	\$67,718	\$1,328
EFFECTIVE GROSS INCOME	\$1,071,194	\$21,004
EXPENSE ITEMS		
Real Estate Taxes	\$79,632	\$1,561
Additional Tax Charges	\$0	\$0
Insurance	\$6,032	\$118
Utilities	\$44,201	\$867
Repairs and Maintenance	\$58,253	\$1,142
Landscaping	\$0	\$0
Turnover Expenses	\$6,330	\$124
Off-Site Management	\$32,829	\$644
% of EGI		3.1%
On-Site Management	\$57,882	\$1,135
Other Salaries	\$0	\$0
Payroll Taxes/Benefits	\$0	\$0
General/Administrative	\$28,413	\$557
Reserves	\$0	\$0
TOTAL EXPENSES	\$313,572	\$6,148
Expenses as % EGI	29.3%	
NET OPERATING INCOME	\$757,622	\$14,855

The expense comparables shown below are not located in the Eugene-Springfield area but are located in the Portland Metropolitan area. Comparables 1 and 2 are elevator served complexes like the subject. These comparables are the best available for this analysis.



EXPENSE COMPARABLES

COMPARABLE	Comp. 1	Comp. 2	Comp. 3	Comp. 4	Comp. 5	Low	High
Expense Year	2008	2006	2008	2009	2008	2006	2009
Number of Units	99	22	45	48	48	22	99
Year Built	1999	2001	2005	2005	1998	1998	2005
EXPENSE ITEMS							
	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit	Low	High
Real Estate Taxes	\$1,117	\$1,069	\$960	\$1,132	\$898	\$898	\$1,132
Additional Tax Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$140	\$173	\$150	\$160	\$140	\$140	\$173
Utilities	\$975	\$1,136	\$675	\$850	\$850	\$675	\$1,136
Repairs and Maintenance	\$825	\$462	\$400	\$325	\$425	\$325	\$825
Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Expenses	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Off-Site Management	\$405	\$462	\$304	\$299	\$302	\$299	\$462
% of EGI	3.0%	4.0%	3.5%	3.0%	3.5%	3.0%	4.0%
On-Site Management	\$600	\$577	\$450	\$450	\$450	\$450	\$600
Other Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes/Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General/Administrative	\$375	\$225	\$250	\$200	\$175	\$175	\$375
Reserves	\$203	\$150	\$152	\$150	\$151	\$150	\$203
TOTAL EXPENSES (\$/Unit)	\$4,790	\$4,404	\$3,491	\$3,716	\$3,541	\$3,491	\$4,790

INCOME APPROACH (CONTINUED)

**EXPENSE ANALYSIS & CONCLUSIONS****Real Estate Taxes**

	Ranges/Conclusion		
Subject Historical Range/Unit	\$1,561		
Expense Comp. Range/Unit	\$898	to	\$1,132
Conclusion	\$75,182		\$1,474/unit

Analysis

The concluded taxes are based on the current taxes of the subject as shown in the Executive Summary section of this report. The current taxes are \$101,702 annually or \$1.70/SF annually based on the net rentable area of the apartments and commercial area (59,866/SF). However, the current taxes include the retail area and the retail tenants reimburse the owner for taxes on the retail space. Therefore, concluded taxes are \$75,182 based on the net rentable apartment area of 44,255/SF ($44,255/\text{SF} \times \$1.70/\text{SF}$).

Additional Tax Charges

	Ranges/Conclusion		
Subject Historical Range/Unit	n/a		
Expense Comp. Range/Unit	n/a	to	n/a
Conclusion	\$0		\$0/unit

Analysis

There are no additional tax charges.

Insurance

	Ranges/Conclusion		
Subject Historical Range/Unit	\$118		
Expense Comp. Range/Unit	\$140	to	\$173
Conclusion	\$6,100		\$120/unit

Analysis

This expense item covers fire, liability, and extended coverage for the subject. The subject's actual expenses are below the expense comparables on a per unit basis but within typical market standards for a building of its age and quality of construction. The concluded expense is based on the actual expenses recognizing the subject's age and good quality of construction.

Utilities

	Ranges/Conclusion		
Subject Historical Range/Unit	\$867		
Expense Comp. Range/Unit	\$675	to	\$1,136
Conclusion	\$44,400		\$870/unit

Analysis

Utilities include gas, electricity, water, sewer, and trash removal. The concluded expense is based on the year-to-date historical expenses and recognizes the subject's new energy efficient construction. The concluded expense is supported by the expense comparables.

Repairs & Maintenance

	Ranges/Conclusion		
Subject Historical Range/Unit	\$1,142		
Expense Comp. Range/Unit	\$325	to	\$825
Conclusion	\$30,600		\$600/unit

Analysis

This expense item includes expenses related to routine maintenance and repairs. The subject's year-to-date annual expenses are considered high due to the inclusion of some turnover expenses, and the inclusion of some reimbursable CAM expenses. The concluded expense near the high end of the comparables based on the subject's luxury design and recognizes that some of the historical expenses are actually turnover expenses and reimbursable CAM expenses.

Landscaping

	Ranges/Conclusion		
Subject Historical Range/Unit	\$0		
Expense Comp. Range/Unit	\$0	to	\$0
Conclusion	\$0		\$0/unit

Analysis

Landscaping expenses are included in the repairs and maintenance expense.

Turnover Expenses

	Ranges/Conclusion		
Subject Historical Range/Unit	\$124		
Expense Comp. Range/Unit	\$150	to	\$150
Conclusion	\$12,800		\$250/unit

Analysis

This expense item includes turnover expenses for the subject. The historical expense is low as some of the turnover expenses were included in the repairs and maintenance expense. The concluded expense is based on typical market area standards and recognizes the large average unit size of the subject units, and the subject's luxury unit finishes.

INCOME APPROACH (CONTINUED)

Off-Site Management		Ranges/Conclusion		Analysis	
Subject Historical Range/Unit		\$644		This expense reflects the professional management service for the subject. The subject's historical expense is equal to 3.1% of EGI or \$644 per unit annually. The concluded expense is based on the historical expense and typical market area standards. The concluded expense is above the expense comparables on a per unit basis due to the inclusion of management expenses for the commercial space.	
Subject Historical Range % EGI		3.1%			
Expense Comp. Range/Unit		\$299 to \$462			
Expense Comp. Range % EGI		3.0% to 4.0%			
% of EGI Conclusion		3.0%			
Conclusion		\$33,797 \$663/unit			
On-Site Management		Ranges/Conclusion		Analysis	
Subject Historical Range/Unit		\$1,135		This expense includes wages, salaries, and free rent for the on-site management. The subject's historical expenses are high. However, the subject is a luxury project at the high end of the market and requires a higher level of on-site leasing and management. Therefore, the concluded expense is based on the historical expenses, and is above the expense comparables recognizing the luxury level of this project.	
Expense Comp. Range/Unit		\$450 to \$600			
Conclusion		\$58,100 \$1,140/unit			
Other Salaries		Ranges/Conclusion			Analysis
Subject Historical Range/Unit		\$0			There are no other salaries.
Expense Comp. Range/Unit		\$0 to \$0			
Conclusion		\$0 \$0/unit			
Payroll Taxes/Benefits		Ranges/Conclusion		Analysis	
Subject Historical Range/Unit		\$0		Payroll taxes and benefits are included in the repairs and maintenance or on-site management expense as appropriate.	
Expense Comp. Range/Unit		\$0 to \$0			
Conclusion		\$0 \$0/unit			
General/Administrative		Ranges/Conclusion		Analysis	
Subject Historical Range/Unit		\$557		This expense includes accounting, legal fees, other professional fees, advertising, and general administrative costs. The subject's historical expenses are high. However, the subject is a luxury project at the high end of the market and requires a higher level of general administration (including higher advertising expenses). Therefore, the concluded expense is based on the historical expenses, and is above the expense comparables recognizing the luxury level of this project.	
Expense Comp. Range/Unit		\$175 to \$375			
Conclusion		\$28,600 \$560/unit			
Reserves		Ranges/Conclusion			Analysis
Subject Historical Range/Unit		\$0			Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expense in the future. The concluded expense is above the comparable range but within typical market area standards, based on the subject's large average unit size, and luxury finishes.
Expense Comp. Range/Unit		\$150 to \$203			
% of EGI Conclusion		1.1%			
Conclusion		\$12,336 \$242/unit			
TOTAL EXPENSES		Ranges/Conclusion		Analysis	
Subj. Historical Range/Unit		\$6,148		The concluded expenses are above the expense and sale comparables due to the inclusion of some expenses for the commercial space. Overall, the concluded expenses are reasonable based on year-to-date expenses and typical market area standards.	
Subj. Historical Range/SF		\$7.09			
Expense Comp. Range/Unit		\$3,491 to \$4,790			
Sales Comp. Range - Exp./Unit		\$2,450 to \$4,331			
Sales Comp. Range - Exp./SF		\$2.88 to \$4.44			
Sales Comp. Range - % of PGI		30% to 46%			
Sales Comp. Range - % of EGI		32% to 50%			
Total Expenses Per SF & Per Unit		\$6.82 \$5,920			
Expense Ratio of PGI & EGI		26.0% 26.8%			
TOTAL EXPENSES		\$301,915			

INCOME APPROACH (CONTINUED)**Capitalization Rate**

In this section, a capitalization rate for the subject is concluded based upon capitalization rates derived from Comparable Sales and the Band of Investment Technique.

Comparable Sales - An Apartment Sales Summation Table is presented in the Sales Comparison Approach section of this report. The overall capitalization rates indicated by these sales are indicated in the table below. There have been no recent sales of similar mixed-use buildings in Eugene-Springfield or other cities in Oregon, and Vancouver, Washington. Additionally, there have also been limited recent sales of apartment projects in the Eugene-Springfield area. This analysis includes the recent similar apartment project sales from other markets in Oregon and Washington (Vancouver), as well as the most recent similar sales available in the Eugene-Springfield market. Therefore, the sales listed in the chart below are the most similar recent sales available for this analysis, but do not include mixed use buildings.

CAPITALIZATION RATE ANALYSIS						
COMPARABLES	Comp. 1	Comp. 2	Comp. 3	Comp. 4	Comp. 5	Comp. 6
Analysis Price:	\$4,825,000	\$1,490,000	\$2,645,000	\$12,165,000	\$15,392,500	\$43,000,000
NOI/Unit:	\$3,674	\$5,208	\$5,190	\$6,297	\$5,471	\$6,127
Capitalization Rate:	7.6%	7.0%	7.1%	7.6%	7.8%	7.1%
Date of Sale:	2/11/09	11/3/09	3/18/09	10/6/09	11/24/09	8/28/09
Analysis:	Older	Similar	Sl. Older	Similar	Similar	Similar
Location:	Average	Good	Average	Good	Average	Average
Analysis:	Inferior	Similar	Inferior	Similar	Inferior	Inferior
Year Built (Age):	1992	2008	2004	2009	1989	1996
Analysis:	Older	Similar	Similar	Similar	Older	Older
Avg. Unit Size (SF):	890	852	861	1,054	945	974
Analysis:	Similar	Similar	Similar	Larger	Larger	Larger
Quality:	Average	Average	Average	Average/Good	Average	Good
Analysis:	Inferior	Inferior	Inferior	Inferior	Inferior	Sl. Inferior
Condition:	Average	Good	Average/Good	Good	Average	Average/Good
Analysis:	Inferior	Inferior	Inferior	Inferior	Inferior	Inferior
No. of Units:	100	20	36	146	220	496
Analysis:	Similar	Similar	Similar	Larger	Larger	Larger
Density (Units/Acre):	20.0	20.2	39.1	21.6	28.5	20.6
Analysis:	Lower	Lower	Similar	Lower	Sl. Lower	Lower
Overall Indicator:	Good	Low	Low	Good	Sl. High	Low

The capitalization rates of the sale comparables range from 7.1% to 7.8%. Comparable 1 is the recent sale of a rent restricted project in the Gateway area of Springfield. Although Comparable 1 is a restricted rent project, it was purchased by a for-profit investor. Overall, Comparable 1 is a good indicator due to its inferior location in Springfield, and its inferior quality, offset by its older date of sale. Comparable 2 is located in Keizer (near Salem) and is a low indicator due to its smaller project size which places downward pressure on the capitalization rate. Comparable 3 is located in Portland and is a low indicator due to its older date of sale and superior location. Comparable 4 is located in Vancouver, Washington and is a good indicator due to its superior location, offset by its inferior quality and condition. Comparable 5 is located in Vancouver, Washington and is a slightly high indicator due to its superior location, partially offset by its inferior age, quality and condition. Comparable 6 is located in Hillsboro and is a low indicator

INCOME APPROACH (CONTINUED)

due to its superior location, partially offset by its inferior quality and condition. Overall, considering the good quality and condition of the subject property, a capitalization rate of 7.5% is indicated for the subject's apartment units.

The sales shown below are recent capitalization rate indicators from retail buildings. Considering the subject properties good quality and condition, the comparables indicate a capitalization rate of 7.6 to 8% for the subject's commercial space.

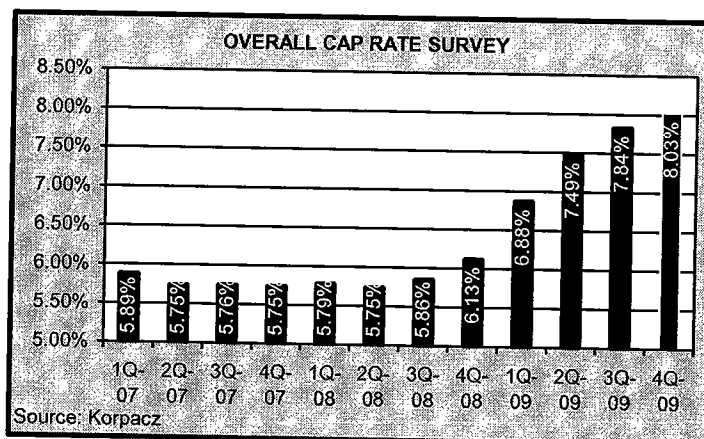
CAPITALIZATION RATE COMPARABLES				
	Comp. 1	Comp. 2	Comp. 3	Comp. 4
Property Name	Van Mall Court	Rite Aid	Valley River North	Retail Strip Center
Address	9414-9430 NE Fourth Pain Boulevard	2440 SE 39th Ave.	1163 Valley River Drive	17250 SE McLoughlin Blvd.
City	Vancouver	Portland	Eugene	Portland
State	WA	OR	OR	OR
SALE DATA				
Transaction Date	5/20/2009	7/2/2009	8/28/2008	4/27/2009
Analysis Price	\$3,440,000	\$2,490,000	\$16,375,000	\$1,900,000
PHYSICAL INFO				
Year Built	2009	1948	1980	1986
Project Size	10,080	13,635	78,292	10,163
ANALYSIS				
Cap Rate	7.75%	8.50%	7.57%	8.36%
Price per SF	\$341	\$183	\$209	\$187

In second half 2009, various brokers were contacted to discuss the current state of the apartment market. The following is a list of companies from which a broker was contacted: CB Richard Ellis; Hagerman Frick and O'Brien; Hendricks & Partners; and Tilbury, Ferguson, Neuburg. All brokers stated that capitalization rates have definitely increased over the past year to varying extents. The overall consensus is about 50 to 100 basis points or more. All of the brokers stated that there is definite decreased demand for properties compared to 2007 and 2008, which has caused an increase in capitalization rates. The brokers also thought that rates would not likely decrease in the near future recognizing the stricter lending requirements, and the dearth of investment grade buyers in the marketplace due to economic conditions.

In summary, a capitalization rate of 7.75% is concluded based on review of both apartment and retail building sales.

National Investor Surveys/Market Data - Korpacz 4th Quarter 2009 - The following capitalization rate information is provided by Korpacz's 4th Quarter 2009 National Investor Survey.

INCOME APPROACH (CONTINUED)



According to the 4th Quarter 2009 National Investor Survey prepared by Korpacz, capitalization rates for the national apartment market remained relatively low from the 2nd Quarter 2007 to the 4th Quarter 2008. However, over the past four quarters, OARs have significantly increased. According to Korpacz, this average increase (for the National Apartment Market) is almost 200 basis points from 4th quarter 2008. The national average capitalization rate as of the 4th Quarter 2009 report was 8.03%, up approximately 120 basis points the first quarter 2009 average of 6.88%. Additionally, the national average has increased approximately 20 basis points from the 3rd Quarter average of 7.84%. Properties that are generally located in primary markets, are typically selling for capitalization rates lower than the average stated above; however, the subject is located in a secondary market and would likely have a rate at the higher end of the range. This data supports the 7.75% rate conclusion for the subject property recognizing the subject's new condition and condominium unit quality.

Band of Investment Technique – Because most properties are purchased with debt and equity capital, the overall capitalization rate must satisfy the market return requirements of both investment positions. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk of the investment or they will not make funds available. Lenders also require that the principal amount of the loan be repaid through period amortization payments. Similarly, equity investors must anticipate receiving a competitive equity cash return commensurate with the perceived risk or they will invest their funds elsewhere.

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information from lenders and the sales comparables indicates the following terms:

BAND OF INVESTMENTS ASSUMPTIONS	
Loan Amortization Period	30 Years
Interest Rate	7.00%
Loan-to-Value Ratio	70%
Mortgage Constant	0.07984

INCOME APPROACH (CONTINUED)

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

BAND OF INVESTMENTS CALCULATION					
Mortgage Component	70%	x	0.080	=	0.056
Equity Component	30%	x	0.070	=	0.021
Indicated Capitalization Rate					0.077
Capitalization Rate (rounded):					7.7%

Overall, the band of investment technique supports a 7.7% rate conclusion for the subject property.

Capitalization Rate Conclusion – The indicated overall rates by the comparable sales and the Band of Investment Technique are discussed above. Given current market conditions and information obtained from market participants, a capitalization rate of 7.75% is considered reasonable and is utilized in this analysis. This capitalization rate recognizes the generally higher rate of 7.6 to 8.0% indicated for the subject's commercial space as well as the lower rate of 7.5% indicated for the subject's apartment units. This rate also considers the risk associated with a high end luxury apartment complex in a recessionary market.

Direct Capitalization Conclusion

The table on the following pages summarizes the Direct Capitalization Method and its value conclusion.

INCOME APPROACH (CONTINUED)

**DIRECT CAPITALIZATION SUMMATION TABLE**

Income Items	Unit Mix	Market Rent	Monthly	Annual	
Rental Income					
Studio/1 BA	3	\$765	\$2,295	\$27,540	
Studio/1 BA	3	\$780	\$2,340	\$28,080	
Flat/1 BD/1 BA	7	\$910	\$6,370	\$76,440	
Flat/1 BD/1 BA	2	\$945	\$1,890	\$22,680	
Flat/1 BD/1 BA + Den	7	\$1,160	\$8,120	\$97,440	
Flat/2 BD/1 BA	2	\$1,090	\$2,180	\$26,160	
Flat/2 BD/ 2BA + Den	2	\$1,125	\$2,250	\$27,000	
Flat/2 BD/2 BA	19	\$1,180	\$22,420	\$269,040	
Loft/2 BD/2 BA	2	\$1,640	\$3,280	\$39,360	
Flat/2 BD/2BA + Den	2	\$1,775	\$3,550	\$42,600	
Loft/3 BD/2 BA	2	\$1,900	\$3,800	\$45,600	
Total Rental Income	51	\$1,147	\$58,495	\$701,940	
Other Income					
Utility Reimbursements			\$1,667	\$20,000	
Miscellaneous Income			\$1,275	\$15,300	
Parking & Storage Income			\$3,042	\$36,500	
Commercial Income			\$32,583	\$391,000	
Total Other Income			\$38,567	\$462,800	
POTENTIAL GROSS INCOME (PGI)			\$22,838/unit	\$26.32/SF	\$1,164,740
Vacancy & Credit Loss					
Rental Income		5%	\$2,925	\$35,097	
Other Income		0%	\$0	\$0	
Total Vacancy & Credit Loss		3%	\$2,925	\$35,097	
EFFECTIVE GROSS INCOME (EGI)			\$22,150/unit	\$25.53/SF	\$1,129,643
Estimated Expense Items	% of PGI	% of EGI	Total	Per Unit	Per SF
Real Estate Taxes	6.5%	6.7%	\$75,182	\$1,474	\$1.70
Additional Tax Charges	0.0%	0.0%	\$0	\$0	\$0.00
Insurance	0.5%	0.5%	\$6,100	\$120	\$0.14
Utilities	3.8%	3.9%	\$44,400	\$870	\$1.00
Repairs & Maintenance	2.6%	2.7%	\$30,600	\$600	\$0.69
Landscaping	0.0%	0.0%	\$0	\$0	\$0.00
Turnover Expenses	1.1%	1.1%	\$12,800	\$250	\$0.29
Off-Site Management	2.9%	3.0%	\$33,889	\$664	\$0.77
On-Site Management	5.0%	5.1%	\$58,100	\$1,140	\$1.31
Other Salaries	0.0%	0.0%	\$0	\$0	\$0.00
Payroll Taxes/Benefits	0.0%	0.0%	\$0	\$0	\$0.00
General Administrative	2.5%	2.5%	\$28,600	\$560	\$0.65
Reserves	1.1%	1.10%	\$12,370	\$243	\$0.28
Total	25.9%	26.7%	\$302,040	\$5,922	\$6.83
NET OPERATING INCOME (NOI)			\$16,228/unit	\$18.70/SF	\$827,603
Valuation of Income	NOI	Divided by	Cap. Rate	Equals	Value
	\$827,603	÷	7.75%	=	\$10,678,742
ESTIMATED VALUE (rounded)			\$209,412/unit	\$178.40/SF	\$10,680,000

SALES COMPARISON APPROACH



This approach is based on the principle of substitution. This principle states that no one would pay more for the subject property than the value of similar properties in the market. In active markets with a large number of sales that are physically similar comparables, this approach is generally a good indicator of value. In this section, the market value of the subject property will be estimated by comparing improved sales to the subject property on a price per square foot (SF) basis.

Selection of Comparables

The comparable sales are listed on the Sale Comparable Summation Table. There have been no recent sales of similar mixed-use buildings in Eugene-Springfield or other cities in Oregon. Additionally, there have also been limited recent sales of apartment projects in the Eugene-Springfield area. Therefore, this analysis includes the recent apartment project sales from other markets in Oregon and Washington (Vancouver), as well as the most recent sales available in the Eugene-Springfield market. Although the comparables vary in terms of age, condition, size, design, appeal, and amenities, they represent the most similar, recent, comparables available for analysis.

Presentation

In the following discussion, the physical differences and similarities between the subject property and the comparables will be discussed. The comparables presented are considered the best available for analysis. Following the Sale Comparable Summation Table, a discussion of the Price Per Square Foot method will be presented. All of the sales are considered to be cash equivalent transactions.

SALES COMPARISON APPROACH (CONTINUED)



SALES COMPARABLE SUMMATION TABLE

	Transaction Date	No. Units	Avg. Unit SF	Exp. %	NOI per	Price per	Cap.	GIM
	Analysis Price	Year Built	Occup. %	GI/EGI	(Unit / SF)	(Unit / SF)	Rate	EGIM
Comparable 1	In Contract	146	1,054	35%	\$6,297	\$88,699	7.1%	8.3
London Flats	\$12,950,000	2008	Stabilized	37%	\$5.97	\$84		8.8
7531 NE 18th Street								
Vancouver, WA								
Comparable 2	3/18/09	36	861	34%	\$5,190	\$73,472	7.1%	8.6
Raven Apartments	\$2,645,000	2004	Stabilized	36%	\$6.03	\$85		9.0
340 SE 148th Avenue								
Portland, OR								
Comparable 3	3/6/09	42	980	31%	\$6,526	\$101,190	6.5%	9.9
Estuary at Seaside	\$4,250,000	2002	Stabilized	33%	\$6.66	\$103		10.4
East Side of HWY 101								
Seaside, OR								
Comparable 4	2/11/09	100	890	46%	\$3,674	\$48,250	7.6%	6.0
Mckenzie Meadow	\$4,825,000	1992	Stabilized	50%	\$4.13	\$54		6.5
715 Oakdale Street								
Springfield, OR								
Comparable 5	5/12/08	60	957	32%	\$6,080	\$96,200	6.3%	10.1
Parkside Apartments	\$5,772,000	2006	Stabilized	33%	\$6.35	\$100		10.6
1820 W. 8th Street								
Medford, OR								
Comparable 6	4/9/08	200	1,000	31%	\$5,034	\$81,750	6.2%	10.4
Jenna Village	\$16,350,000	2002	Stabilized	33%	\$5.03	\$82		10.9
4885 Aster Street								
Springfield, OR								

SALES COMPARISON APPROACH (CONTINUED)



MCKENZIE MEADOW

Location Information

Address: 715 Oakdale Street
 City, State: Springfield, OR 97477
 APN: 1503265

Sale Information

Buyer: Charles N Shepard Living Trust
 Seller: McKenzie Meadows Apartments LLC
 Negotiation Date:
 Transaction Date: 2/11/09
 Transaction Price: \$4,825,000
 Analysis Price: \$4,825,000
 Recording Number: 2009-006850
 Rights Transferred: Fee Simple
 Down Payment: \$0
 Financing: Conventional
 Conditions of Sale: Arms Length
 Marketing Time:



APARTMENT SALE 1

Physical Information

Project Design: Garden
 No. of Units: 100
 Year Built: 1992
 Project Size(NRA): 89,010
 Average Unit Size(SF): 890
 Rent Type: Restricted
 Project Amenities: Pool, clubhouse, laundry
 Unit Amenities: None
 Security Features: Dead bolts
 Parking: Open - 44, carport - 76, garage - 30
 Parking Ratio: 1.50 spaces/unit
 Building Construction: Wood frame, Wood exterior, Composition asphalt roof
 Quality: Average
 Condition / Appeal: Average / Average/Good
 Site Size: 5.01 (218,236 SF)
 Density (units/acre): 20.0
 Zoning: MDR-(20 units/acre)

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
	10	1,026	3 bd/2 ba
	21	645	1 bd/1 ba
	51	945	2 bd/1 ba
	18	945	2 bd/2 ba

Operating Income

ID# 5326

		Per Unit	Per SF
Rent Income:	\$758,000	\$7,580	\$8.52
Other Income:	\$51,000	\$510	\$0.57
Gross Income:	\$809,000	\$8,090	\$9.09
Vacancy & Credit Loss:	(\$68,363)	8%	
Effective Gross Income:	\$740,637	\$7,406	\$8.32
Expenses:	(\$373,273)	(\$3,733)	(\$4.19)
Net Operating Income:	\$367,364	\$3,674	\$4.13
Occupancy at Sale:	Stabilized		
Expense % of GI / EGI:	46%	50%	
Income Source:	Actual		
Expense Source:	Seller's Pro Forma		

Analysis Information

Price per Unit / SF:	\$48,250	\$54.21
Capitalization Rate:	7.61%	
GIM / EGIM:	6.00	6.50
Equity Dividend Rate:	0.00%	

Confirmation

Name: Trevor Nelson
 Company: Marcus and Millichap
 Source: Seller's Broker
 Phone No. / Date: 503.200.2039 5/14/09

Remarks

This is the sale of a rent restricted project located in Springfield Oregon about 5 miles from the University of Oregon, near Interstate-5 and the Gateway Mall. The project is enrolled in the LIHTC program and the extended use agreement expires in January 2023. This property sold to a for-profit buyer who paid all cash likely due to a 1031 exchange based on conversations with the buyer's broker. The income is based on actual income near the time of sale and proforma expenses. This property has above average appeal for a restricted rent project with an attractive clubhouse and outdoor pool.

SALES COMPARISON APPROACH (CONTINUED)



THE MCNARY APARTMENT HOMES

APARTMENT SALE 2

Location Information

Address: 4995 Delight Street N
 City, State: Keizer, OR 97303
 APN: R25433

Sale Information

Buyer: Wong
 Seller: Delight Street Apartments, LLC
 Negotiation Date:
 Transaction Date: 11/3/09
 Transaction Price: \$1,490,000
 Analysis Price: \$1,490,000
 Recording Number: NA
 Rights Transferred: Fee Simple
 Down Payment: \$527,500
 Financing: Conventional
 Conditions of Sale: Arms Length
 Marketing Time: 12 Month(s)



Physical Information

Project Design: Garden
 No. of Units: 20
 Year Built: 2008
 Project Size(NRA): 17,034
 Average Unit Size(SF): 852
 Rent Type: Market
 Project Amenities: Laundry
 Unit Amenities: W/D hookups
 Security Features: Dead bolts
 Parking: Open - 20, carport - 20
 Parking Ratio: 2.00 spaces/unit
 Building Construction: Wood frame, Vinyl exterior, Composition asphalt roof
 Quality: Average
 Condition / Appeal: Good / Average/Good
 Site Size: 0.99 (43,124 SF)
 Density (units/acre): 20.2
 Zoning: MDR

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
Flat	19	844	2 bd/1 ba
Flat	1	998	3 bd/1 ba

Operating Income

ID# 4944

		Per Unit	Per SF
Rent Income:	\$158,880	\$7,944	\$9.33
Other Income:	\$2,216	\$111	\$0.13
Gross Income:	\$161,096	\$8,055	\$9.46
Vacancy & Credit Loss:	(\$7,944)	5%	
Effective Gross Income:	\$153,152	\$7,658	\$8.99
Expenses:	(\$49,000)	(\$2,450)	(\$2.88)
Net Operating Income:	\$104,152	\$5,208	\$6.11
Occupancy at Sale:			
Expense % of GI / EGI:	30%	32%	
Income Source:	Actual		
Expense Source:	Actual		

Analysis Information

Price per Unit / SF:	\$74,500	\$87.47
Capitalization Rate:	6.99%	
GIM / EGIM:	9.20	9.70
Equity Dividend Rate:	19.74%	

Confirmation

Name: John Pyle
 Company: Apartments Northwest
 Source: Seller's Broker
 Phone No. / Date: 503.222.3433 11/18/09

Remarks

This is the sale of the McNary Apartments, located south of McNary High School. These units were constructed in 2008 with vinyl windows and siding. All units have washer/dryer hook-ups. The project was originally listed in October 2008 for \$1,700,000 and sold in November 2009 for \$1,490,000. No deferred maintenance at the time of sale. The income used in the analysis is based on the actuals at the time of sale and the expenses are based on a confidential appraisal at the time of sale for the lender.

SALES COMPARISON APPROACH (CONTINUED)



RAVEN APARTMENTS

Location Information

Address: 340 SE 148th Avenue
 City, State: Portland, OR 97233
 APN: R041808050

Sale Information

Buyer: Crow Apartments LLC
 Seller: Raven Apartments LLC
 Negotiation Date:
 Transaction Date: 3/18/09
 Transaction Price: \$2,725,000
 Analysis Price: \$2,645,000
 Recording Number: 09035861
 Rights Transferred:
 Down Payment: \$0
 Financing: Arms Length
 Conditions of Sale: Arms Length
 Marketing Time:



APARTMENT SALE 3

Physical Information

Project Design: Garden
 No. of Units: 36
 Year Built: 2004
 Project Size(NRA): 30,984
 Average Unit Size(SF): 861
 Rent Type: Market
 Project Amenities: None
 Unit Amenities: W/D hookups, W/D in Unit, A/C
 Security Features: Perimeter fence, dead bolts
 Parking: Open - 47
 Parking Ratio: 1.31 spaces/unit
 Building Construction: Wood frame, Vinyl exterior, Composition asphalt roof
 Quality: Average
 Condition / Appeal: Average/Good / Average/Good
 Site Size: 0.92 (40,075 SF)
 Density (units/acre): 39.1
 Zoning: RHD

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
Townhouse	24	867	2 bd/1.5 ba
	12	848	2 bd/1 ba

Operating Income

ID# 4855

		Per Unit	Per SF
Rent Income:	\$297,300	\$8,258	\$9.60
Other Income:	\$10,106	\$281	\$0.33
Gross Income:	\$307,406	\$8,539	\$9.92
Vacancy & Credit Loss:	(\$14,865)	5%	
Effective Gross Income:	\$292,541	\$8,126	\$9.44
Expenses:	(\$105,701)	(\$2,936)	(\$3.41)
Net Operating Income:	\$186,840	\$5,190	\$6.03
Occupancy at Sale:	Stabilized		
Expense % of GI / EGI:	34%	36%	
Income Source:	Actual		
Expense Source:	Seller's Pro Forma		

Analysis Information

Price per Unit / SF:	\$73,472	\$85.37
Capitalization Rate:	7.06%	
GIM / EGIM:	8.60	9.00
Equity Dividend Rate:	0.00%	

Confirmation

Name: Greg Frick
 Company: Hagerman, Frick, O'Brien
 Source: Seller's Broker
 Phone No. / Date: 503.241.5541 7/23/09

Remarks

Raven Apartments is a three-story project with vinyl windows. Each unit receives a washer/dryer and A/C, which adds to tenant appeal and is not typical of the local apartment market. Flats are located on the ground floor with townhouse units above. Upon opening, the project was granted a 10-year tax abatement for renting some units below 60% of the median family income. The tax abatement still has about 4.0 years left according to the selling broker. The expenses used in this analysis include typical RE taxes estimated by the appraiser. The actual sales price of \$2,725,000 has been reduced by \$80,000 to account for the approximate value of the 4 remaining years of tax abatement. Therefore, this analysis looks at the Real Estate value of this sale at \$2,645,000, with an additional abatement value of \$80,000 to arrive at the actual sales price of \$2,725,000.

SALES COMPARISON APPROACH (CONTINUED)



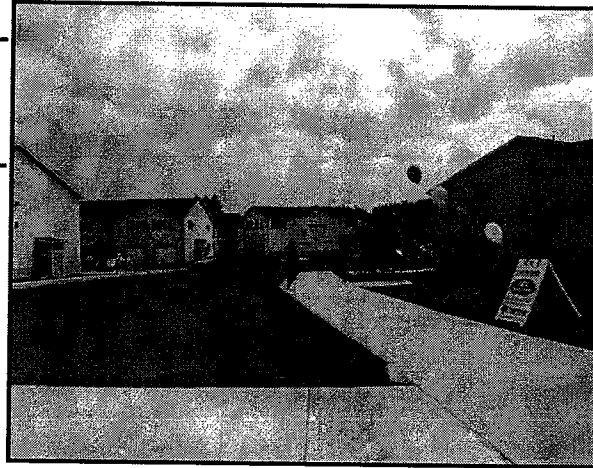
LONDON FLATS

Location Information

Address: 7531 NE 18th Street
 City, State: Vancouver, WA 98661
 APN: 029378-065

Sale Information

Buyer: JB Matteson, Inc
 Seller: Lettuce Fields LLC (Trustee For)
 Negotiation Date:
 Transaction Date: 10/6/09
 Transaction Price: \$12,165,000
 Analysis Price: \$12,165,000
 Recording Number: Recorded
 Rights Transferred: Fee Simple
 Down Payment: \$0
 Financing: Conventional
 Conditions of Sale: Arms Length
 Marketing Time: 7 Month(s)



APARTMENT SALE 4

Physical Information

Project Design: Garden
 No. of Units: 146
 Year Built: 2009
 Project Size(NRA): 153,920
 Average Unit Size(SF): 1,054
 Rent Type: Market
 Project Amenities: Exercise facilities, sauna
 Unit Amenities: W/D hookups, W/D in Unit, fireplace, A/C
 Security Features: Dead bolts
 Parking: Open - 216, garage - 29
 Parking Ratio: 1.68 spaces/unit
 Building Construction: Wood frame, Vinyl exterior, Composition asphalt roof
 Quality: Average/Good
 Condition / Appeal: Good / Good
 Site Size: 6.75 (294,030 SF)
 Density (units/acre): 21.6
 Zoning: R-22

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
	6	650	1 bd/1 ba
	36	885	1 bd/1 ba
	8	950	2 bd/1 ba
	64	1,090	2 bd/2 ba
	16	1,220	3 bd/2 ba
	16	1,330	3 bd/2 ba

Operating Income

ID# 5661

		Per Unit	Per SF
Rent Income:	\$1,495,440	\$10,243	\$9.72
Other Income:	\$58,530	\$401	\$0.38
Gross Income:	\$1,553,970	\$10,644	\$10.10
Vacancy & Credit Loss:	(\$89,726)	6%	
Effective Gross Income:	\$1,464,244	\$10,029	\$9.51
Expenses:	(\$544,844)	(\$3,732)	(\$3.54)
Net Operating Income:	\$919,400	\$6,297	\$5.97
Occupancy at Sale:			
Expense % of GI / EGI:	35%	37%	
Income Source:	Actual		
Expense Source:	Buyer's Pro Forma		

Analysis Information

Price per Unit / SF:	\$83,322	\$79.03
Capitalization Rate:	7.56%	
GIM / EGIM:	7.80	8.30
Equity Dividend Rate:	0.00%	

Confirmation

Name: Harry Arthur
 Company: JB Matteson, Inc
 Source: Buyer's Representative
 Phone No. / Date: 650.802.7800 10/13/09

Remarks

This is the sale of a new property in the Burton neighborhood of Vancouver. The property opened in December 2007 and had rolling occupancy of buildings through January 2009. Construction was partially delayed due to litigation issues, and eventually the lender took back the property and completed construction. The property began listing in January 2009 and various offers were received during the first part of the year. As lease-up was nearing completion, negotiations intensified and the project went under contract in late July 2009. The original contract price was near \$12,900,000, but the final purchase price dropped due to loan resizing according to the buyer to \$12,165,000.

SALES COMPARISON APPROACH (CONTINUED)



DISCOVERY PARK APARTMENTS

APARTMENT SALE 5

Location Information

Address: 9211 NE 15th Avenue
 City, State: Vancouver, WA 98665
 APN: 145064-000 & 144960-000

Sale Information

Buyer: Foxfam LLC
 Seller: Vancouver Regency Limited Partnership
 Negotiation Date:
 Transaction Date: 11/24/09
 Transaction Price: \$15,167,500
 Analysis Price: \$15,392,500
 Recording Number: 4622061 D
 Rights Transferred: Fee Simple
 Down Payment: \$0
 Financing: Conventional
 Conditions of Sale: Arms Length
 Marketing Time: Not On Market



Physical Information

Project Design: Garden
 No. of Units: 220
 Year Built: 1989
 Project Size(NRA): 207,935
 Average Unit Size(SF): 945
 Rent Type: Market
 Project Amenities: Pool, clubhouse, exercise facilities, business center, playground, laundry
 Unit Amenities: W/D hookups, 2 & 3-bedroom units have W/D hook-ups
 Security Features: Dead bolts
 Parking: Open - 334, garage - 60
 Parking Ratio: 1.79 spaces/unit
 Building Construction: Wood frame, Wood exterior, Composition asphalt roof
 Quality: Average
 Condition / Appeal: Average / Average
 Site Size: 7.72 (336,283 SF)
 Density (units/acre): 28.5
 Zoning: R-43

Operating Income

ID# 6077

		Per Unit	Per SF
Rent Income:	\$1,989,900	\$9,045	\$9.57
Other Income:	\$251,700	\$1,144	\$1.21
Gross Income:	\$2,241,600	\$10,189	\$10.78
Vacancy & Credit Loss:	(\$198,990)	9%	
Effective Gross Income:	\$2,042,610	\$9,285	\$9.82
Expenses:	(\$838,991)	(\$3,814)	(\$4.03)
Net Operating Income:	\$1,203,619	\$5,471	\$5.79
Occupancy at Sale:	94		
Expense % of GI / EGI:	37%	41%	
Income Source:	Actual		
Expense Source:	Buyer's Pro Forma		

Analysis Information

Price per Unit / SF:	\$69,966	\$74.03
Capitalization Rate:	7.82%	
GIM / EGIM:	6.90	7.50
Equity Dividend Rate:	0.00%	

Confirmation

Name: Jamie Gaylord
 Company: Affinity Property Management
 Source: Buyer's Representative
 Phone No. / Date: 503.802.0116 12/2/09

Remarks

Sale of a large three-story complex in the Hazel Dell neighborhood. Generally, this property is considered to have average to above average appeal with respect to available inventory in the neighborhood. The property was not actively marketed; the buyer approached the owner with an offer as they had completed a transaction earlier in 2009. Some units had received some minor interior upgrades, including mirrored panels in the dining area, a ceiling fan, and upgraded bathroom lighting package. 2 and 3-bedroom units have washer/dryer hook-ups and upper level units have vaulted ceilings. Income and expenses are based on an analysis of historicals. Vacancy was projected at 10% total of rental income given softening market conditions and the necessary use of concessions. As the seller did not have to pay a typical sales commission, the sales price has been adjusted upwards \$225,000 (1.5% commission) to \$15,392,500.

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
Flat	30	650	1 bd/1 ba
Flat	78	1,150	3 bd/2 ba
Flat	91	875	2 bd/1 ba
Flat	21	910	2 bd/1 ba

SALES COMPARISON APPROACH (CONTINUED)



VERANDAS AT HAZEL GROVE

APARTMENT SALE 6

Location Information

Address: 2501 NW Overlook Drive
 City, State: Hillsboro, OR 97124
 APN: R1390523, R1390532, R1390541, R1390550, R2050352

Sale Information

Buyer: Commons at Verandas LLC
 Seller: Tanasbourne Phase III LLC (Prudential)
 Negotiation Date:
 Transaction Date: 8/28/09
 Transaction Price: \$41,500,000
 Analysis Price: \$43,000,000
 Recording Number: 09078651
 Rights Transferred: Fee Simple
 Down Payment: \$0
 Financing: Conventional
 Conditions of Sale: Arms Length
 Marketing Time:



Operating Income

ID# 5817

Physical Information

Project Design: Garden
 No. of Units: 496
 Year Built: 1996
 Project Size(NRA): 483,312
 Average Unit Size(SF): 974
 Rent Type: Market
 Project Amenities: Pool, clubhouse, exercise facilities, spa, business center, playground
 Unit Amenities: W/D hookups, W/D in Unit
 Security Features:
 Parking: Open - 560, carport - 227, garage - 156
 Parking Ratio: 1.90 spaces/unit
 Building Construction: Wood frame, Hardiplank exterior, Composition asphalt roof
 Quality: Good
 Condition / Appeal: Average/Good / Average/Good
 Site Size: 24.02 (1,046,311 SF)
 Density (units/acre): 20.6
 Zoning: A-3 Multi Family

		Per Unit	Per SF
Rent Income:	\$5,200,000	\$10,484	\$10.76
Other Income:	<u>\$500,000</u>	\$1,008	\$1.03
Gross Income:	\$5,700,000	\$11,492	\$11.79
Vacancy & Credit Loss:	<u>(\$513,000)</u>	9%	
Effective Gross Income:	\$5,187,000	\$10,458	\$10.73
Expenses:	<u>(\$2,148,033)</u>	(\$4,331)	(\$4.44)
Net Operating Income:	<u>\$3,038,967</u>	\$6,127	\$6.29
Occupancy at Sale:			
Expense % of GI / EGI:	38%	41%	
Income Source:	Actual		
Expense Source:	Seller's Pro Forma		

Analysis Information

Price per Unit / SF:	\$86,694	\$88.97
Capitalization Rate:	7.07%	
GIM / EGIM:	7.50	8.30
Equity Dividend Rate:	0.00%	

Confirmation

Name:	Confidential
Company:	Confidential
Source:	Confidential
Phone No. / Date:	Confidential 9/18/09

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
	24	727	1 bd/1 ba
	72	743	1 bd/1 ba
	36	747	1 bd/1 ba
	148	966	2 bd/1 ba
	96	1,060	2 bd/2 ba
	84	1,121	2 bd/2 ba
	36	1,294	3 bd/2 ba

Remarks

This is the sale of a 25-building, 496 unit property in the Tanasbourne area of Hillsboro. This is a class A suburban complex with two pools and hot tubs among various other common amenities. The property has a good maintenance program and some lighting and plumbing fixtures had been upgraded in about 25% of the units in the past few years. The income used in the analysis is based on the appraiser's review of the listing package including historicals and the seller's proforma. Most weight was placed on historical actual income. The vacancy/concessions is based on the seller's proforma of 9% and the seller's proforma expenses. The buyer was given a credit of \$1,500,000 at the time of sale for deferred maintenance. Thus, the analysis price adjusts the recorded price of \$41,500,000 to \$43,000,000 for the analysis price. The property has 5 assessor parcel numbers.

SALES COMPARISON APPROACH (CONTINUED)**Price Per Square Foot Analysis**

None of the apartment sale comparables includes commercial space and commercial space generally sells for a higher value per square foot than apartments. Therefore, the apartment value and commercial space value are separately estimated below.

The apartment sale comparables indicate a wide range of indicators from \$54.21 to \$88.97 per square foot. The subject was built to condominium standards and has superior luxury finishes compared to all of the comparable apartment sales. The subject's apartments not including the commercial space have an estimated NOI of \$8.85 per square foot, which is well above the sales comparables due to the superior luxury quality of the subject. Therefore, the subject's concluded apartment value per square foot should be above the apartment sale comparables. Thus, a value of \$110 per square foot, or \$4,870,000 (\$110 x 44,255/SF) is concluded for the subject's apartment units.

SUMMARY OF COMPARABLE ANALYSIS (Per SF)				
Comp. No.	Price/SF	Avg. Unit Size	NOI/SF	Indicator
Subject	-	868	\$9.80	-
6	\$88.97	974	\$6.29	Low
2	\$87.47	852	\$6.11	Low
3	\$85.37	861	\$6.03	Low
4	\$79.03	1,054	\$5.97	Low
5	\$74.03	945	\$5.79	Low
1	\$54.21	890	\$4.13	Low
Statistical Analysis (Unadjusted Price/Unit)				
Low	\$54.21		Median	\$82.20
High	\$88.97		Average	\$78.18
CALCULATION OF VALUE				
Concluded Price/SF		Rentable SF		Value
\$110.00		x	44,255	= \$4,870,000

The commercial space will be valued by capitalizing the previously concluded net operating income. The subject's NOI from the commercial space is \$391,000 adjusted for the management expense. Capitalizing the subject's NOI by the previously concluded capitalization rate indicates a value of \$5,215,000 rounded (\$391,000 NOI / 7.75% CAP Rate). The total estimated value of \$5,215,000 is equal to \$334.06 per square foot of net rentable commercial area (\$5,215,000 / 15,611 square feet). The retail building sales shown in the Capitalization Rate Analysis indicated a range of \$183 to \$341 per square foot. Based on the subject's age and quality of construction, a value near the high end of the retail sales range is appropriate. Therefore, a value of \$335.00 per square foot, or \$5,230,000 rounded (\$335 x 15,611/SF) is concluded for the subject's commercial space.

The total concluded value for the subject is **\$10,100,000** (\$4,870,000 + \$5,230,000).

Correlation of Methods

The value for the subject property by the Sales Comparison Approach is concluded at:

SALES APPROACH VALUE INDICATOR(S)	
Method	Value
Price Per Unit	Not Presented
Price Per SF	\$10,100,000
Sales Comparison Approach Conclusion	\$10,100,000

ANALYSIS OF VALUE CONCLUSIONS



The analysis of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The Income Approach to value is generally considered to be the best and most accurate measure of the value of income-producing properties. The value estimated by this approach is based upon the premise that income-producing properties are owned for their income-producing ability. As such, the income approach best reflect the analysis which knowledgeable buyers and sellers carry out in their decision-making processes regarding this type of property. In this case, the market data used in this analysis is reliable. A reliable analysis of expenses was performed. Market sales data and market financing data allowed for a reliable conclusion of the capitalization rate. The Income Approach is given primary emphasis in the analysis.

In the Sales Comparison Approach, the value per square foot method was used to value the subject. There have been no recent sales of similar mixed-use buildings in Eugene-Springfield or other cities in Oregon. Additionally, there have also been limited recent sales of apartment projects in the Eugene-Springfield area. Recognizing the lack of similar sales, an investor would place main emphasis on the Income Approach. Therefore, the Sales Comparison Approach is given secondary weight to the Income Approach.

After considering all factors relevant to the valuation of the subject property, with primary weight on the Income Approach, the concluded values are as follows:

ANALYSIS OF VALUE CONCLUSION(S)		
Cost Approach		Not Presented
Income Approach		\$10,680,000
Sales Comparison Approach		\$10,100,000
Prospective Market Value at Stabilization	Date of Value	Value Conclusion(s)
	2/24/2012	\$10,680,000
Less: Stabilization Costs		(\$300,000)
As-Is Market Value	2/24/2010	\$10,380,000

As Is Value

The commercial space is not currently stabilized. Therefore, a deduction of \$300,000 has been made to arrive at the As Is Market Value. Stabilization (93% occupancy) of the commercial space is expected to take two years. Please note, the estimated tenant allowance is \$5.00/SF as reported by the owner, and the expenses used are the amount estimated in the Income Section of this report. The stabilization costs are estimated as follows.

ANALYSIS OF VALUE CONCLUSIONS (CONTINUED)

COMMERCIAL COMPONENT ABSORPTION ANALYSIS							
Total SF	4,102 SF			Market Rent per SF per Quarter		\$6.75	
Absorption Rate	513SF Per Qtr.			Expenses per Quarter		\$1.10/SF	
Occupancy	93%			Tenant Improvements		\$5.00/SF	
SF Preleased/Occupied	0 SF			Concessions		3 mos. free rent	
Quarterly	SF Absorbed	SF Remaining	SF Occupied	Rent Loss (per qtr.)	Expenses (per qtr.)	TIs (per qtr.)	Present Value
1	513	4,102	513	\$31,151	\$5,077	\$2,564	\$38,792
2	513	3,589	1,026	\$27,690	\$4,512	\$2,564	\$34,766
3	513	3,077	1,538	\$24,229	\$3,948	\$2,564	\$30,741
4	513	2,564	2,051	\$20,768	\$3,384	\$2,564	\$26,716
5	513	2,051	2,564	\$17,306	\$2,820	\$2,564	\$22,690
6	513	1,538	3,077	\$13,845	\$2,256	\$2,564	\$18,665
7	513	1,026	3,589	\$10,384	\$1,692	\$2,564	\$14,640
8	513	513	4,102	\$6,923	\$1,128	\$2,564	\$10,615
Total Rent Loss, Expenses, & TIs							\$204,214
Plus Leasing Commission							\$25,752
Concessions (3 mos. free rent)							\$27,690
Profit @ 15% of Absorption Costs							\$38,648
Total (rounded)							\$300,000

INSURABLE REPLACEMENT COST ESTIMATE



At the client's request, we have included an estimate of the insurable replacement cost estimate of the subject improvements. The insurable value represents the replacement cost new, of the subject improvements, as defined by *Marshall Valuation Service*, exclusive of land value and profit, and the costs associated with excavation, site work, foundations and architects fees.

Insurance coverage is usually specific to a given project. We have not been provided with the specific policy requirements, which limit the reliability of the conclusion. Insurable Value is a matter of underwriting as opposed to valuation. Users of this report should not construe the conclusion of insurable value to be an indication of market value.

It is also noted that the insurable estimate is made using base costs and multiplier adjustments for market conditions and location from *Marshall Valuation Service*, which is assumed to accurately reflect replacement cost of the subject. We assume no liability as to the subject's insurable replacement cost and recommend that an estimate from a reputable insurance company be obtained if further assurance is required.

The following chart summarizes the insurable replacement cost estimate:

INSURABLE VALUE TABLE	
Marshall Valuation Service Sec./Page/Class	12 / 14 / D
Quality Rating	Good/Excellent
Gross Building Area	78,401 SF
Base Cost (per SF)	\$140.00
Square Foot Refinements	
Appliances	\$1.30
Elevator	\$0.65
Sprinklers	\$2.00
Basement	\$20.00
Subtotal	\$163.95
Height and Size Refinements	
Height per Story Multiplier	1.000
Area Multiplier	1.000
Subtotal	\$163.95
Cost Multipliers	
Current Cost Multiplier	0.960
Local Multiplier	1.070
Final Square Foot Cost	\$168.41
Base Improvement Cost	\$13,203,469
Insurable Value Exclusions	10% of Total Replacement Cost (\$1,320,347)
Insurable Value Conclusion	\$11,883,122
Rounded	\$11,900,000
Value per Unit	\$233,333
Value per SF	\$151.78

CERTIFICATE OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are the signers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signers of this report have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- The signers have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics* and *Standards of Professional Appraisal Practice* of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice*, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
- An interior and exterior inspection of the subject property was conducted on February 24, 2010 by Brendan D. Romtvedt. Brian L. Kelley, MAI inspected the exterior of the subject on March 6, 2010 and reviewed this report in its entirety. The subject property was previously appraised by Brendan D. Romtvedt and Brian L. Kelley in August 2009.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this appraisal, Brian L. Kelley, MAI is currently certified under the continuing education program of the Appraisal Institute.

Brendan D. Romtvedt

Brendan D. Romtvedt
OR State Certified General Appraiser
No. C000900

March 9, 2010

Date

Brian L. Kelley

Brian L. Kelley, MAI
OR State Certified General Appraiser
No. C000141

March 9, 2010

Date

ADDENDA



Engagement Letter
Subject Data
Qualifications of Appraisers/Licenses
Qualifications of FirstService PGP Valuation

PEPPLE JOHNSON CANTU & SCHMIDT, PLLC
Lawyers

1501 WESTERN AVENUE, SUITE 600
SEATTLE, WASHINGTON 98101
PHONE: (206) 625-1711 FAX: (206) 625-1627
www.pjcs.com

Daniel P. Pepple
dpepple@pjcs.com
Direct Line: (206) 625-9960

Florida Office
2430 Estancia Boulevard, Suite 114
Clearwater, FL 33761
Phone: (727) 724-8585 Fax: (727) 726-9272

February 2, 2010

VIA E-MAIL AND DELIVERY

Brian L. Kelley, MAI
Valuation Services Director
FirstService PGP Valuation
110 SW Yamhill Street, Suite 200
Portland, OR 97204

Re: **Crescent Village West Apartments**
2750 Shadow View Drive, Eugene, Oregon

Dear Mr. Kelley:

This firm is legal counsel ("Counsel") for Bank of America, N.A. with respect to its interest in the real property ("Property") referred to above.

Upon formal acceptance of the referenced assignment and the attached Terms and Conditions, Schedules and all other documents attached hereto, which are incorporated in full by this reference, you are hereby authorized to perform the requested professional appraisal services. General conditions of the assignment are as follows:

Appraisal Standards: Unless otherwise stipulated in this agreement, the assignment must be completed in accordance with all applicable real estate appraisal standards including the Uniform Standards of Professional Appraisal Practice (USPAP), applicable Federal and State regulations, and the *Bank of America Appraisal Requirements / Appraisal Performance and Reporting Guidenotes*, which are in effect at the time of the order.

Report Ownership: Your acceptance of this appraisal assignment will confirm that Counsel owns the appraisal reports that you provide, and that Counsel will be under no restrictions regarding their redistribution to other interested parties of our choice.

February 2, 2010

Page 2

Modification: Should you determine that the scope of work requested is different than required or otherwise inappropriate, please contact the undersigned for instructions on how to proceed. Any changes by you to this agreement must be authorized in writing.

Very truly yours,

Pepple Johnson Cantu & Schmidt, PLLC



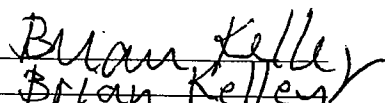
By: Daniel P. Pepple
Member

Accepted and agreed to this 3 day of February, 2010.

Appraiser

FirstService PGP Valuation

By:



Name:

Brian Kelley

Title:

Valuation Services Director
FirstService PGP Valuation

February 2, 2010
Page 3**Schedule A - Assignment and Scope of Work**

Service:	Real Estate Appraisal
Certification:	Listed Appraiser and/or designees
Report Type (Appraisal Product):	Comprehensive
Intended Use / Intended Users:	The report is intended for use as an aid in acquisition, financing, loan classification and/or asset disposition. Intended users of the report may include: Bank of America and its affiliates or subsidiaries, other participating financial institutions, governmental/non-governmental agencies, legal counsel or other transaction participants.
Report Addressee:	Counsel
Report Distribution:	Counsel
Report Format:	Adobe PDF
Fee:	\$5,500.00
Invoice:	Invoices will be submitted to Counsel, but addressed to Bank of America, attention Nancy Alonzo, Real Estate Managed Assets, 201 E. Washington Street, Floor 22, Phoenix, AZ 85004, who will be responsible for processing your payment. Please reference the Borrower/Owner and Property Address to ensure proper identification of the assignment.

Description of Property

Borrower/Owner:	ARLIE & COMPANY, an Oregon corporation
Address:	2750 Shadow View Drive Eugene, Oregon 97402

February 2, 2010
Page 4

Property Type:	4 story mixed-use residential building with ground floor retail
Interest Appraised:	Fee Simple
Value Definition:	Market value as is and prospective market value at stabilization
Delivery Due Date:	March 2, 2010
Property Contacts:	Scott Diehl Arlie & Company 2911 Tennyson Avenue Eugene, OR 97401

4:38 PM
02/09/09
Accrual Basis

Arle & Company
Profit & Loss ~ Crescent Village/Building A
 January through December 2009

Ordinary Income/Expense	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	TOTAL
Income													
4000.00 - INCOME													
4516.00 - Crescent Village Revenue Summary													
4516.01 - Crescent-Rental Income	81,171.53	93,605.40	65,132.93	89,420.79	76,677.70	80,115.79	78,710.79	80,010.15	77,245.34	69,768.77	73,227.80	83,832.47	993,961.45
4516.10 - Crescent-Application Fees	0.00	0.00	55.83	55.83	55.83	55.83	55.83	168.51	0.00	0.00	0.00	110.02	1,365.96
4516.11 - Crescent-Late/NSF Fees	300.00	250.00	-75.00	75.00	350.00	175.00	175.00	625.00	320.00	300.00	550.00	0.00	3,125.00
4516.12 - Crescent-Move In Charges	1,000.00	400.00	600.00	1,000.00	600.00	1,200.00	1,400.00	0.00	2,000.00	800.00	800.00	2,200.00	12,000.00
4516.13 - Crescent-Move Out Charges	400.00	200.00	443.00	1,060.00	288.00	205.00	48.00	226.00	1,579.58	457.05	861.73	993.40	6,761.76
4516.10 - Crescent-Prop Tax Appeal Refund	0.00	0.00	25.00	25.00	25.00	25.00	25.00	0.00	0.00	0.00	25.00	0.00	100.00
4516.40 - Crescent-barenet Income	11.07	24.42	-1.23	12.10	11.14	10.77	12.16	12.90	13.49	12.89	13.17	13.31	145.79
4516.00 - Crescent-Miscellaneous Income	3,072.95	2,616.83	2,924.42	4,064.26	3,242.93	4,602.88	2,849.06	5,363.68	6,491.75	2,998.18	2,553.18	2,978.00	44,198.07
4516.00 - Crescent-Past/UnR&M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4516.04 - Crescent-Past/UnR&M Insurance	39.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4516.05 - Crescent-Past/UnR&M Property Tax	2,069.03	555.59	555.59	555.59	3,302.28	2,437.82	555.59	1,437.82	1,754.46	0.00	30.23	0.00	144.52
4516.07 - Crescent-Past/UnR&M Utilities	1,723.00	1,710.00	1,687.00	1,687.00	1,598.00	1,605.00	1,605.00	1,525.00	1,540.00	1,571.00	1,561.00	1,484.00	19,163.00
4516.08 - Crescent-Past/UnR&M Electricity	858.07	155.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.37	0.00	1,034.26
4516.00 - Crescent-Estimated CAM Charges	1,131.56	280.27	280.27	280.27	1,615.43	1,553.87	280.27	1,321.14	1,816.92	-2,719.80	2,258.25	6,727.34	14,877.68
Total 4516.00 - Crescent Village Revenue Summary	91,774.64	91,572.71	91,572.71	91,175.84	87,588.46	92,510.00	85,772.70	90,674.18	92,752.44	73,128.09	84,684.87	99,351.37	1,071,193.63
Total 4000.00 - INCOME	91,774.64	91,572.71	91,572.71	91,175.84	87,588.46	92,510.00	85,772.70	90,674.18	92,752.44	73,128.09	84,684.87	99,351.37	1,071,193.63
Expense													
5000.00 - PROPERTY EXPENSES SUMMARY													
5516.00 - Crescent Village Expense Sum													
5516.02 - Crescent-Landscape/Recoverable	0.00	0.00	181.13	378.33	0.00	173.25	378.33	353.61	329.40	310.06	0.00	1,117.99	2,837.77
5516.03 - Crescent-Plat Clean/Recoverable	80.00	80.00	132.50	225.00	225.00	60.00	60.00	295.00	60.00	60.00	0.00	262.50	1,486.26
5516.04 - Crescent-Utilities/Recoverable	1,239.46	531.57	375.75	375.75	0.00	375.75	0.00	375.75	0.00	0.00	0.00	750.75	4,400.53
5516.06 - Crescent-Signage/Recoverable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5516.07 - Crescent-Misc/Recoverable	0.00	150.00	212.50	0.00	375.75	0.00	0.00	56.68	0.00	0.00	0.00	0.00	938.27
5516.13 - Crescent-Repairs & Maint	3,597.89	2,889.02	3,158.14	2,889.02	3,097.37	4,414.21	4,033.05	3,332.51	3,181.44	2,608.66	2,568.18	4,917.70	41,671.82
5516.14 - Crescent-HVAC Repairs	0.00	0.00	0.00	261.11	0.00	0.00	0.00	0.00	0.00	136.56	0.00	0.00	387.67
5516.15 - Crescent-Electrical Repairs	343.87	0.00	64.00	125.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	533.37
5516.16 - Crescent-Plumbing Repairs	143.40	0.00	0.00	440.00	0.00	0.00	0.00	75.00	24.66	0.00	0.00	0.00	683.06
5516.17 - Crescent-Apppliance Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	122.60	0.00	0.00	0.00	187.20
5516.19 - Crescent-Painting	9.98	7.63	74.99	5.86	201.57	68.93	68.93	75.03	115.94	97.54	274.48	348.77	1,380.02
5516.20 - Crescent-Landscape Maint.	0.00	61.36	759.79	0.00	636.28	588.50	68.50	220.51	1,672.06	59.00	916.79	479.19	5,471.98
5516.23 - Crescent-Locks & Keys	121.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	0.00	271.25
5516.24 - Crescent-Janitorial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	133.38	0.00	0.00	0.00	168.36
5516.25 - Crescent-Security/Fire Service	392.50	2.75	0.00	0.00	0.00	0.00	0.00	0.00	-4.07	203.50	14.75	105.00	2,314.31
5516.31 - Crescent-Carpet Clean/Turnover	265.00	130.00	380.00	380.00	465.00	270.00	510.00	390.00	1,665.00	155.00	0.00	1,665.00	5,894.00
5516.34 - Crescent-Drapery Clean/Turnover	0.00	0.00	72.00	40.00	144.00	64.00	120.00	16.00	0.00	0.00	0.00	0.00	636.00
5516.34 - Crescent-Floor Cover/Replace	0.00	0.00	0.00	320.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	320.00
5516.40 - Crescent-Electricity	251.46	2,037.16	1,064.65	919.00	961.52	884.77	945.59	720.41	1,033.35	1,250.45	913.52	916.61	11,747.52
5516.41 - Crescent-Gas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.59
5516.42 - Crescent-Water & Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,900.00
5516.43 - Crescent-Trash Disposal	361.65	347.55	347.55	347.55	347.55	720.30	0.00	0.00	0.00	823.30	0.00	700.60	5,041.70
5516.51 - Crescent-Misc/Unrecoverable	3,025.62	3,102.71	3,183.25	3,151.04	2,665.65	2,936.72	3,103.25	3,119.67	1,705.05	1,630.11	1,705.05	1,828.44	32,528.59
5516.52 - Crescent-Advertising & Promo	1,872.21	1,148.01	1,232.65	910.30	1,251.03	1,390.09	835.91	1,618.78	-640.94	1,763.82	0.00	2,468.66	15,110.98
5516.53 - Crescent-Legal & Accounting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	58.50
5516.54 - Crescent-Site Supplies	178.60	618.56	119.04	251.79	383.18	151.12	91.33	25.46	385.69	85.30	93.01	283.11	2,843.19
5516.55 - Crescent-Dues & Subscriptions	100.00	100.00	0.00	100.00	100.00	115.75	100.00	100.00	910.00	100.00	120.00	260.00	1,725.75

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Arle & Company
Profit & Loss - Crescent Village/Building A
 January through December 2009

	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	TOTAL
5516.57 - Crescent-Other Professional Fee	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
5516.58 - Crescent-Other Outside Services	116.46	37.39	14.93	15.15	75.23	29.46	95.28	13.22	43.35	83.82	184.45	52.43	753.07
5516.59 - Crescent-Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5516.60 - Crescent-Insurance	483.16	483.16	483.16	483.16	483.16	483.16	483.16	483.16	483.16	483.23	600.00	600.00	6,031.67
5516.61 - Crescent-Property Tax	3,732.00	3,732.00	3,732.00	6,594.82	6,594.82	4,395.23	7,844.25	7,844.25	9,737.03	8,475.17	8,475.17	8,475.17	75,631.91
5516.70 - Crescent-Wages	0.00	4,228.37	4,542.81	4,071.88	4,268.30	4,186.14	5,615.73	3,812.80	4,057.66	4,559.55	4,342.26	5,903.81	55,372.40
5516.76 - Crescent-Employee Benefits	242.00	440.86	0.00	418.00	455.00	453.66	500.20	0.00	0.00	0.00	0.00	0.00	2,510.00
5516.80 - Crescent-Bank Fees	-58.40	-63.00	5.55	-2.45	-36.00	30.64	30.64	90.71	35.34	20.00	22.80	43.51	116.34
5516.81 - Crescent-Miscellaneous	35.50	475.50	196.48	147.81	224.51	75.31	184.81	60.92	3,929.97	80.31	124.51	135.06	5,666.71
5516.82 - Crescent-Telephone/Communicatio	597.51	529.45	396.91	256.61	374.06	397.59	97.21	400.34	0.00	704.50	403.09	955.65	5,062.92
5516.90 - Crescent-Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5516.95 - Crescent-Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 5516.00 - Crescent Village Expenses Sum	23,823.26	23,948.45	21,973.30	24,456.80	24,535.15	24,392.68	29,864.35	23,707.72	34,742.40	25,736.48	22,868.14	33,920.22	312,571.95
Total 5500.00 - PROPERTY EXPENSES SUMMARY	23,823.26	23,948.45	21,973.30	24,456.80	24,535.15	24,392.68	29,864.35	23,707.72	34,742.40	25,736.48	22,868.14	33,920.22	312,571.95
Total Expense	23,823.26	23,948.45	21,973.30	24,456.80	24,535.15	24,392.68	29,864.35	23,707.72	34,742.40	25,736.48	22,868.14	33,920.22	312,571.95
Net Ordinary Income	67,951.38	65,849.88	69,599.41	66,719.04	63,053.31	68,114.32	55,909.35	66,856.46	58,010.04	47,391.61	62,826.73	65,431.15	757,621.69
Net Income	67,951.38	65,849.88	69,599.41	66,719.04	63,053.31	68,114.32	55,909.35	66,856.46	58,010.04	47,391.61	62,826.73	65,431.15	757,621.69
Construction Loan Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted NOI	67,951.38	65,849.88	69,599.41	66,719.04	63,053.31	68,114.32	55,909.35	66,856.46	58,010.04	47,391.61	62,826.73	65,431.15	757,621.69
Amort Period in Years	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Rate	6.59%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	5.50%	5.50%	5.50%
PV Amount	8,561,420.00	8,661,420.00	8,661,420.00	8,661,420.00	8,661,420.00	8,661,420.00	8,661,420.00	8,596,961.03	8,596,961.03	8,596,961.03	8,596,961.03	8,596,961.03	8,596,961.03
Debt Service	57,044.18	57,044.18	57,044.18	57,044.18	57,044.18	57,044.18	57,044.18	56,930.56	56,930.56	56,930.56	56,856.64	56,856.64	56,856.64
DSCR	1.19	1.15	1.22	1.17	1.11	1.19	0.98	1.14	0.99	0.80	1.23	1.29	1.24

SSI410
mc728
Select: 02/24/10
51 Apts., 44,598 Sq. Ft.

Rent Roll Report
Riverstone Residential
Crescent Village West
February 24, 2010

Page: 1
03/2010
02/24/10
11:17

Apt.	ID	Type	Apt. Status	Names	R	S	Sq.Ft.	Market	Rent Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires Term	Sec/Other Deposit	Ending Balance
W - 210	3	2x1	OC N	Yvonne Dekayie	C		834	1,176.00	RENT	976.00	976.00	0.00	11/06/09	05/31/10	99.00	(1.00)
									WSRES	35.00					0.00	
									Total:	1,011.00						
W - 211	3	2x1	OC N	Adam Lesh	C		836	1,154.00	RENT	999.00	999.00	0.00	12/06/09	11/30/10	339.00	(5.00)
				Allison Lesh					WSRES	35.00					0.00	
									Total:	1,034.00						
W - 212	1	1x1	OC N	Donald Hadley	C		669	937.00	RENT	937.00	937.00	0.00	06/04/08	05/31/10	500.00	0.00
				Derek Hadley					WSRES	30.00				12	0.00	
									STOR	40.00						
									Total:	1,007.00						
W - 220	4	2x2	OC N	Martin P Ball	C		954	1,185.00	RENT	985.00	985.00	0.00	10/09/09	06/30/10	220.00	0.00
									WSRES	35.00					0.00	
									Total:	1,020.00						
W - 221	3	2x2	OC N	Lesley Stutz	C		975	1,258.00	RENT	1,099.00	1,099.00	289.00	02/21/10	01/31/11	549.00	(875.00)
									WSRES	35.00					0.00	
									PARKG	60.00						
									PTRNT	20.00						
									Total:	1,214.00						
W - 222	3	2x2	OC N	Jiana Hu	C		970	1,213.00	RENT	1,113.00	1,113.00	0.00	01/31/10	12/31/10	369.00	0.00
									WSRES	35.00					0.00	
									PARKG	60.00						
									Total:	1,208.00						
W - 223	2	2x1	OC N	Brooke Conlon	C		865	1,228.00	RENT	1,228.00	1,228.00	0.00	07/24/09	07/31/10	119.00	12.00
									WSRES	35.00				5	0.00	
									Total:	1,263.00						
W - 224	1	2x2	OC N	Chase Connor	C		975	1,258.00	RENT	1,258.00	1,258.00	0.00	06/26/08	04/30/09	290.00	0.00
				Ashley Delp					WSRES	35.00					0.00	
									PARKG	60.00						
									STOR	80.00						
									MTM	100.00						
									Total:	1,533.00						
W - 225	3	2x2	OC N	Courtney Jacobs	C		975	1,258.00	RENT	1,193.00	1,193.00	0.00	12/13/09	04/30/10	260.00	(167.40)
									WSRES	35.00					0.00	
									Total:	1,228.00						
W - 230	6	1x1	OC N	David Dowd	C		638	893.00	RENT	893.00	893.00	0.00	04/19/09	03/31/10	470.00	0.00
									WSRES	30.00				12	0.00	
									Total:	923.00						

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Apt.	ID	Type	Apt. Status	Names	R	S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance
W - 231	1	1x1	OC	Charlene Westbrook	C		638	893.00	RENT	893.00	893.00	0.00	06/01/08	08/31/10	240.00	0.00
			N	Nykolus Westbrook					WSRES	30.00				6	0.00	
									Total:	923.00						
W - 232	1	1x1	OC	Donald Kaipus	C		638	893.00	RENT	893.00	893.00	0.00	06/20/08	04/30/10	220.00	0.00
			N						WSRES	30.00					0.00	
									Total:	923.00						
W - 233	2	2x2	OC	John Schwind	C		975	1,268.00	RENT	1,268.00	1,268.00	0.00	09/09/09	03/31/10	490.00	0.00
			N						WSRES	35.00					0.00	
									PARKG	60.00						
									Total:	1,363.00						
W - 234	4	Stu	OC	Kimberly K Nickelson	C		579	828.00	RENT	828.00	828.00	0.00	10/10/09	07/31/10	220.00	0.00
			N						WSRES	30.00					0.00	
									Total:	858.00						
W - 235	2	2x2	OC	Stuart L Chinn	C		990	1,277.00	RENT	1,277.00	1,277.00	0.00	07/10/09	01/31/10	220.00	0.00
			N						WSRES	35.00					0.00	
									MTM	100.00						
									Total:	1,412.00						
W - 236	1	Stu	OC	Jessica Schultz	C		471	749.00	RENT	749.00	749.00	0.00	06/21/08	05/31/10	220.00	0.00
			N						WSRES	30.00				12	0.00	
									Total:	779.00						
W - 237	1	1x1Dn	OC	Mary Lokkesmoe	C		781	1,203.00	RENT	1,203.00	1,203.00	0.00	06/01/08	05/31/10	490.00	0.00
			N						WSRES	30.00				12	0.00	
									PARKG	80.00						
									Total:	1,313.00						
W - 238	3	2x1Dn	OC	Sarah Focht	C		890	1,353.00	RENT	1,100.00	1,100.00	0.00	09/06/09	03/31/10	319.00	0.00
			N						WSRES	35.00					0.00	
									Total:	1,135.00						
W - 310	1	2x1	OC	Casey Torstenson	C		834	1,201.00	RENT	1,201.00	1,201.00	0.00	06/17/08	04/30/10	460.00	75.00
			N						WSRES	35.00					0.00	
									Total:	1,236.00						
W - 311	2	2x1	OC	Mackenzie E Stewart	C		836	1,170.00	RENT	970.00	970.00	0.00	09/24/09	09/30/10	429.00	(15.00)
			N	Caleb J Tommasini					WSRES	35.00					0.00	
									PARKG	60.00						
									Total:	1,065.00						
W - 312	3	1x1	OC	Brittany Thompson	C		669	957.00	RENT	957.00	957.00	0.00	06/10/09	05/31/10	470.00	0.00
			N	Tracy Thompson					WSRES	30.00					0.00	
									PARKG	60.00						
									Total:	1,047.00						

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Apt.	ID	Type	Apt. Status	Names	R	S	Sq.Ft.	Market	Rent Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance
W - 320	3	2x2	OC	N	C		954		1,193.00 RENT	1,193.00	1,193.00	0.00	09/11/09	09/30/10	470.00	0.00
									WSRES	35.00						
									PARKG	60.00						
									Total:	1,288.00						
W - 321	5	2x2	OC	N	C		975		1,277.00 RENT	999.00	999.00	0.00	01/16/10	01/31/11	640.00	4.00
									WSRES	35.00						
									PTRNT	20.00						
									Total:	1,054.00						
W - 322	4	2x2	OC	N	C		970		1,213.00 RENT	1,213.00	1,213.00	0.00	01/30/10	08/31/10	519.00	0.00
									WSRES	35.00						
									STOR	40.00						
									PTRNT	20.00						
									Total:	1,308.00						
W - 323	3	2x1	OC	N	C		865		1,254.00 RENT	1,054.00	1,054.00	0.00	10/23/09	09/30/10	420.00	0.00
									WSRES	35.00						
									Total:	1,089.00						
W - 324	2	2x2	OC	N	C		975		1,277.00 RENT	1,199.00	1,199.00	0.00	11/29/09	04/30/10	240.00	(81.00)
									WSRES	35.00						
									Total:	1,234.00						
W - 325	2	2x2	OC	N	C		975		1,277.00 RENT	1,165.00	1,165.00	0.00	12/12/09	05/31/10	240.00	(93.28)
									WSRES	35.00						
									PARKG	60.00						
									Total:	1,260.00						
W - 330	2	1x1	OC	N	C		638		912.00 RENT	912.00	912.00	0.00	12/06/09	11/30/10	470.00	0.00
									WSRES	30.00						
									PARKG	60.00						
									Total:	1,002.00						
W - 331	4	1x1	OC	N	C		638		913.00 RENT	912.00	912.00	0.00	02/16/10	01/31/11	690.00	(596.00)
									WSRES	30.00						
									PARKG	80.00						
									PTRNT	20.00						
									Total:	1,042.00						
W - 332	4	1x1	OC	N	C		638		913.00 RENT	913.00	913.00	0.00	01/22/10	08/31/10	420.00	20.00
									WSRES	30.00						
									STOR	40.00						
									Total:	983.00						
W - 333	6	2x2	OC	N	C		975		1,375.00 RENT	1,063.00	1,063.00	0.00	12/10/09	08/31/10	319.00	0.00
									WSRES	35.00						

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Apt.	ID	Type	Status	Names	Apt.	R	Sq.Ft.	Market	Rent Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires Term	Sec/Other Deposit	Ending Balance
W - 334	4	Stu	OC	Mailelani Clark	N	C	579	845.00	RENT	745.00	745.00	0.00	11/09/09	11/30/10	420.00	0.00
									WSRES	30.00					0.00	
W - 335	3	2x2	OC	Angela Copeland	N	C	990	1,297.00	RENT	1,197.00	1,197.00	0.00	12/28/09	12/31/10	119.00	0.00
									WSRES	35.00				12	0.00	
W - 336	4	Stu	OC	Gerald Druliner	N	C	471	763.00	RENT	763.00	763.00	0.00	12/01/08	07/31/10	220.00	0.00
									WSRES	30.00				11	0.00	
W - 337	2	1x1Dn	OC	Y'itong Shao	N	C	781	1,117.00	RENT	1,117.00	1,117.00	0.00	06/22/09	06/30/11	670.00	0.00
									WSRES	30.00				12	0.00	
									PARKG	60.00						
W - 338	2	2x1Dn	OC	Rita Healey	N	C	891	1,247.00	RENT	1,147.00	1,147.00	0.00	01/07/10	01/31/11	339.00	0.00
									WSRES	35.00					0.00	
W - 410	2	2x2Dn	OC	Taylor Equipment Sales	N	C	1,470	2,350.00	RENT	1,900.00	1,900.00	0.00	09/07/09	10/31/10	359.00	0.00
				Donald Taylor					WSRES	35.00					0.00	
W - 420	3	2x2	OC	Catheryn Rowdon	N	C	954	1,317.00	RENT	1,217.00	1,217.00	0.00	01/23/10	01/31/11	470.00	0.00
				Mubarak Almazrouei					WSRES	35.00					0.00	
W - 421	1	2x2	OC	Lucas Winder	N	C	975	1,336.00	RENT	1,336.00	1,336.00	0.00	07/01/08	06/30/10	490.00	0.00
				Natalie Winder					WSRES	35.00				12	0.00	
									PARKG	80.00						
W - 422	3	2x2	VL	Tyson Sicilia	N	L	970	1,329.00	RENT	1,451.00						
									WSRES	35.00					99.00	0.00
W - 422		2x2	VL	Vacancy	N		970	1,329.00	RENT		0.00	0.00		6	0.00	
W - 423	4	2x1	OC	Jon Johnston	N	C	865	1,194.00	RENT	1,193.00	1,193.00	353.00	02/20/10	01/31/11	440.00	(865.00)
				Emily Johnston					WSRES	35.00					0.00	
W - 424	4	2x2	OC	Edward Zancanella	N	C	975	1,336.00	RENT	1,086.00	1,086.00	0.00	11/10/09	11/30/10	240.00	0.00
									WSRES	35.00					0.00	
									Total:	1,121.00						

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Apt.	ID	Type	Status	Names	R	S	Sq.Ft.	Market	Rent	Code	Lease	Gross	Potential	M/I Date	Lease	Sec/Other	Ending
											Charges	Possible	Charges	M/O Date	Expires	Deposit	Balance
W - 425	3	2x2	OC	Abdulaziz Al-Sabah	C		975		1,336.00	RENT	1,329.00	1,329.00	0.00	12/11/09	06/30/10	270.00	(294.35)
			N							WSRES	35.00					0.00	
										PARKG	60.00						
										Total:	1,424.00						
W - 430	4	2x2Dn	OC	Jessica Foleck	C		1,257		2,074.00	RENT	1,749.00	1,749.00	0.00	09/10/09	09/30/10	290.00	0.00
			N							WSRES	35.00					0.00	
										PARKG	80.00						
										Total:	1,864.00						
W - 432	4	1x1	NA	Kimberly Rhoades	N		638		931.00	RENT	931.00	931.00	0.00	07/05/09	06/30/10	420.00	0.00
			N							WSRES	30.00					0.00	
										Total:	961.00						
W - 433	3	2x2Lt	OC	Linda McCard	C		1,124		1,989.00	RENT	1,789.00	1,789.00	0.00	11/07/09	11/30/10	290.00	(1,924.00)
			N							WSRES	35.00					0.00	
										PARKG	100.00						
										Total:	1,924.00						
W - 434	4	Stu	OC	Marti Chaney	C		579		863.00	RENT	763.00	763.00	0.00	11/27/09	04/30/10	490.00	(9.00)
			N							WSRES	30.00					0.00	
										PARKG	100.00						
										Total:	893.00						
W - 435	1	3x2Lt	OC	Arlene Cancel	C		1,483		2,506.00	RENT	2,506.00	2,506.00	0.00	06/23/08	05/31/10	270.00	0.00
			N							WSRES	40.00				12	0.00	
										PARKG	80.00						
										Total:	2,626.00						
W - 436	2	Stu	OC	Lucy Nelson	C		471		783.00	RENT	783.00	783.00	0.00	12/10/09	07/31/10	369.00	155.00
			N							WSRES	30.00					0.00	
										PARKG	60.00						
										Total:	873.00						
W - 437	3	2x2Lt	OC	Jesse VanHall	C		1,223		1,688.00	RENT	1,488.00	1,488.00	0.00	01/22/10	01/31/11	910.00	(1.00)
			N	Taylor Duty						WSRES	35.00					0.00	
				Joyce VanHall						PARKG	60.00						
										PTNT	40.00						
										Total:	1,623.00						
W - 438	3	3x2Lt	OC	Martina Young	C		1,332		1,798.00	RENT	1,798.00	1,798.00	0.00	05/05/09	05/31/10	500.00	(10.00)
			N	Emily Allison						WSRES	40.00				6	0.00	
				Lyndsi Karp						Total:	1,838.00						

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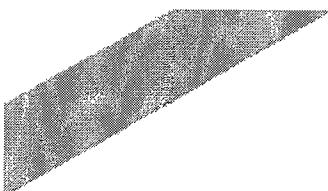
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Apt.	ID	Type	Status	Apt. Names	R	S	Sq.Ft.	Market	Rent Code	Lease Charges	Gross Possible	Actual Potential Charges	Potential M/I Date	Lease Expires Term	Sec/Other Deposit	Ending Balance
Total:																
				<u>Market Rent</u>				<u>Lease Rent</u>		<u>Gross Possible</u>	<u>Actual Potential Charges</u>	<u>Security Deposits</u>		<u>Other Deposits</u>	<u>Total Deposits</u>	<u>Ending Balance</u>
				63,055.00				61,135.00		58,809.00	642.00	19,096.00		0.00	19,096.00	(4,671.03)
Income Code:																
MTM				Month to Month Fee				C	Current							
PARKG				Parking - Garage				L	Leased							
PTRNT				Pet Rent				N	Notice							
RENT				Rent				P	Previous							
STOR				Storage				X	Cancel							
WSRES				Water/Sewer												
Unit Stat:																
								NA	On Notice Available							
								OC	Occupied							
								VA	Vacant Available							
								VL	Vacant Leased							
Unit Analysis																
									Description						Units	Percent
									Occupied						50	98.04
									Vacant						1	1.96
									Down						0	0.00
									Total Units						51	100.00
									Construction						0	
									Waiting Lists						1	
									Employee						0	
									Model						0	
									Other Use						0	
									Total Special Use						0	0.00

This Rent Roll includes Current Resident, Applicants. '1st' Indicates amounts not included in summary of lease charges

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Apt.	ID	Type	Status	Names	R	S	Sq.Ft.	Market	Rent	Code	Lease	Charges	Gross	Possible	Actual	Potential	M/I	Date	Lease	Expires	Sec/Other	Deposit	Ending	Balance
Grand Total :																								
					<u>Market</u>			<u>Lease</u>			<u>Gross</u>		<u>Actual</u>			<u>Security</u>			<u>Other</u>		<u>Total</u>		<u>Ending</u>	
					<u>Rent</u>			<u>Rent</u>			<u>Possible</u>		<u>Charges</u>			<u>Deposits</u>			<u>Deposits</u>		<u>Deposits</u>		<u>Balance</u>	
					63,035.00			61,135.00			58,809.00		642.00			19,096.00			0.00		19,096.00		(4,671.03)	



BRENDAN D. ROMTVEDT

APPRAISER

EXPERIENCE

Commercial Appraiser, PGP Valuation Inc,
2005 to Present

Commercial Appraiser, Skelte & Associates,
2004 to 2005

APPRAISAL INSTITUTE AND RELATED COURSES

Course 330, Apartment Appraisal

Highest & Best Use and Market Analysis

Report Writing and Valuation Analysis

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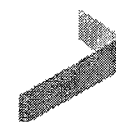
Brendan.Romtvedt@FirstServicePGP.com

EDUCATION

Bachelor of Science in Business,
University of Oregon, Eugene,
OR, 1986

STATE CERTIFICATIONS

Oregon





Appraiser Certification and Licensure Board

State Certified General Appraiser

28 hours of continuing education required for renewal

License No: C000900
Issue Date: 4/1/2009
Expiration Date: 3/31/2011

Brendan D Romtvedt
PGP Valuation INC
110 SW Yamhill ST STE 200
Portland OR 97204

R. A. (Bob) Keith, Administrator



BRIAN L. KELLEY, MAI

VALUATION SERVICES DIRECTOR

Brian L. Kelley was born and raised in Portland, Oregon. He attended Franklin High School in Portland, where he participated in varsity football, basketball, and baseball. He graduated from the University of Oregon with a degree in Business Finance, minoring in Real Estate. For seven years prior to joining PGP Valuation Inc he was active in real estate sales in the Portland metropolitan area. Brian's appraisal assignments vary from timberland to major income-producing properties. He formerly managed the Multi-Family department and is currently a senior member of PGP Valuation Inc's Central Review Team.

EXPERIENCE

Senior Review Appraiser, PGP Valuation Inc, Responsible for reviewing both in house and outside appraisal assignments of all property types.

Associate Real Estate Broker , Steve Meredith Realtors, Inc., primarily residential real estate sales in the Portland, Metropolitan area.

Real Estate Sales Associate Stan Wiley Realtors, Inc., primarily residential real estate sales in the Portland, Metropolitan area.

PROFESSIONAL AFFILIATIONS & ACCREDITATIONS

Member of the Appraisal Institute (MAI)

Portland Metropolitan Association of Realtors

APPRAISAL INSTITUTE COURSES

Course 1A-1, Real Estate Appraisal Principles

Course 1A-2, Basic Valuation Procedures

Course 1B-A, Capitalization Theory and Technique - Part A

Course 1B-B, Capitalization Theory and Technique - Part B

Course 2-1, Case Studies in Real Estate Valuation

Course 2-2, Valuation Analysis and Report Writing

OTHER RELATED COURSES

Introduction to Real Estate

Real Estate Law

Real Estate Finance

Real Estate Taxation

Real Estate Management

Real Estate Investment Analysis

Real Estate Environment Analysis

FIRSTSERVICE PGP VALUATION INC

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Brian.Kelley@FirstServicePGP.com

EDUCATION

Bachelor of Science, Business
Administration, University of
Oregon

AFFILIATIONS

MAI

STATE CERTIFICATIONS

Oregon

BRIAN L. KELLEY, MAI

VALUATION SERVICES DIRECTOR

CLASSES & SEMINARS

Standards of Professional Practice Update

Standards of Professional Practice - Part A

Standards of Professional Practice - Part B

Standards of Professional Practice - Part C

Hotel/Motel Valuation

Wetlands Evaluation Issues

Americans with Disabilities Act Seminar

Anatomy of a Real Estate Deal

Developing Tax Credit Financed Low-Income Housing

How to Value Income Property

30 Specialized Appraisal Issues

Commercial Construction

Appraisal of Non-Conforming Properties

Elderly Care Facility Appraisal

Security Issues and Building Design Seminar

Siding and Mold Issues Seminar

Real Estate Fraud: The Appraisers Responsibilities and Liabilities Seminar

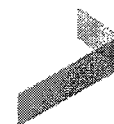
Market Analysis and the Site to do Business

Non USPAP Regulatory Compliance

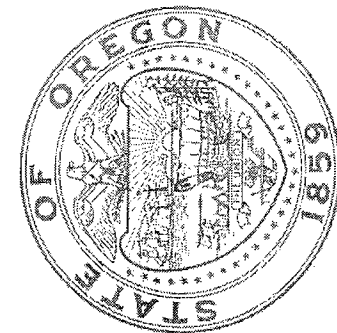
National USPAP 7-Hour Update

Business Practices and Ethics

www.FirstServicePGP.com



**FirstService
PGP Valuation**



Appraiser Certification and Licensure Board

State Certified General Appraiser

28 hours of continuing education required for renewal

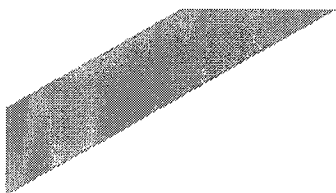
License No: C000141

Issue Date: 10/1/2009

Expiration Date: 9/30/2011

Brian L Kelley
PGP Valuation INC
110 SW Yamhill ST STE 200
Portland OR 97204

R. A. (Bob) Keith, Administrator



OVERVIEW

FIRSTSERVICE PGP VALUATION INC

Over its 30+ year history, FirstService PGP Valuation Inc has developed a strong reputation for quality, credibility and dependability. FirstService PGP's continued growth is supported by its position as a recognized leader in real estate valuation and advisory services while serving a full range of clients, geographies and property types. Whether providing services to REITs, pension funds, government agencies, investment firms, commercial banks or other property owners and their trusted providers, FirstService PGP's expertise continues to create superior results that set the firm apart with the industry. Along with its unique and expanding platform, FirstService PGP continues to attract the valuation industry's leading professionals that provide a full range of expertise across nearly every possible commercial property type.

In 2006, PGP Valuation was acquired by FirstService Corporation, the global and diversified leader in the growing real estate services sector. Joining the FirstService family of companies – as part of the rapidly growing FirstService Real Estate Advisors and other partner organizations such as Colliers International, Cohen Financial, MHPH Project Management, PKF Hospitality and many more – FirstService PGP provides clients with an unparalleled, full service and integrated real estate capability.

The firm maintains offices throughout the United States – from Honolulu to Boston, South Florida to Seattle and with many strategic service points in between – while also offering the industry's largest international coverage capability through the global FirstService network.

FirstService PGP develops and maintains world class appraisal delivery systems, data tracking and reporting capabilities that provide for accelerated, secure and accurate results. Quality control of all valuation work has been foundational to FirstService PGP's success and is delivered through FirstService PGP Review, the industry's only dedicated team of internal reviewers that cross-check all FirstService PGP Valuation assignments to guarantee results.

To learn about how FirstService PGP meets your unique property valuation and advisory service needs, contact us today.

FIRSTSERVICE PGP VALUATION INC

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QUALIFICATIONS

FIRSTSERVICE PGP VALUATION INC

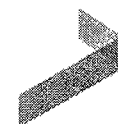
FirstService PGP Valuation is a leading provider of real estate valuation and consulting services. Founded in 1978, FirstService PGP has 20 offices from coast to coast. FirstService PGP's partnership with FirstService REA and Colliers International, one of the largest commercial real estate services providers in the world, has expanded FirstService PGP's ability to serve clients globally.

FirstService PGP has extensive experience across a diverse range of commercial property types and geographies. Whether a single property or a portfolio of assets across the world, FirstService PGP has the depth of valuation experience to create superior results. With over 200 experienced appraiser professionals including 33 designated MAI's, and a highly efficient commercial appraisal system, FirstService PGP has built a reputation for excellence, customer service and responsiveness.

PROFESSIONAL SERVICES

FirstService PGP offers a wide range of services related to the valuation of real estate:

Appraisals:	Single asset and portfolio valuations on all property types, including residential, commercial, industrial, Low Income Housing Tax Credits (LIHTC), infrastructure and easements Partial interest and business valuations
Highest and Best Use & Market Studies:	Consultation regarding the most profitable utilization of real property assets. Feasibility and absorption studies of housing and commercial developments. Preparation of FNMA condominium market studies and valuation.
Consultation:	Analysis of real estate regarding values, site development potential, market standards versus competitive edge amenities, market conditions, etc.
Litigation Support:	Professional opinions as expert witnesses regarding the valuation of real estate
Property Tax Analysis/Appeal:	Representation before government agencies regarding ad valorem taxes, including preliminary value consultation appraisals and Board of Equalization presentations.
Government Services:	Consultation, litigation expertise and valuation for the Departments of Defense, Justice, Navy, Agriculture and Interior. In November 2008, PGP Valuation was named as the exclusive Quality Control oversight manager for FDIC.



**FirstService
PGP Valuation**

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